

# **Askari Commercial Bank Limited**

## **Annual Report 2000**

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### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

Lt. Gen. Ali Muhammad Jan Aurakzai  
Chairman

Lt. Gen. (R) Mohammad Afsar

Mr. Kalim-ur-Rahman  
President & Chief Executive

Brig. (R) Muhammad Shiraz Baig  
Brig. (R) Ikram-ul-Hasan  
Brig. (R) Asmat Ullah Khan Niazi  
Brig. (R) Muhammad Safdar Ali

Mr. Javed Ahmed Noel

Mr. Zafar Alam Khan Sumbal  
Secretary

Mr. Shahid Hafeez Azmi  
Mr. Sultan Ahmed Abbasi

Mr. Istaqbal Mehdi  
(NIT Nominee)

#### **AUDITORS**

Taseer Hadi Khalid & Co.

Chartered Accountants

**LEGAL ADVISORS**

Afridi Angell & Khan

**REGISTERED OFFICE/HEAD OFFICE**

AWT Plaza, The Mall,

P.O. Box No. 1084,

Rawalpindi-Pakistan.

Tel: (051) 5518117-20

Fax: (051) 5563704

Web Site: www.askaribank.com.pk

**REGISTRAR & SHARE TRANSFER OFFICE**

Askari Associates (Private) Limited,

6th Floor, AWT Plaza, The Mall,

P.O. Box 678, Rawalpindi.

Tel: (051) 5514370-71, 5516108

Fax: (051) 5516109

E-Mail: askari@isb.compol.com

**NOTICE OF THE NINTH ANNUAL GENERAL MEETING**

Notice is hereby given that the 9th Annual General Meeting of Askari Commercial N Bank Limited will be held on Tuesday, 27th March, 2001 at 09:30 hours in Blue Lagoon Complex opposite outward gate of Pearl Continental Hotel, Rawalpindi to transact the following business:-

**ORDINARY BUSINESS**

1. To confirm the minutes of the 8th Annual General Meeting held on 27 March, 2000.
2. To receive, consider and adopt the audited accounts together with Directors' and Auditors' Reports thereon for the year ended December 31, 2000.
3. To consider and approve dividend as recommended by the Directors of the Company as follows:
  - a. Cash Dividend at Rs. 1.50 per share i.e. 15% for the year ended December 31, 2000.
  - b. Five bonus shares for every hundred shares i.e. 5% by capitalization of Share Premium Account to the same extent.
4. To appoint Auditors of the Bank for the year ending December 31, 2001 and to fix their remuneration.
5. Any other business with the permission of the Chair.

**By order of the Board**

Rawalpindi

**Zafar Alam Khan Sumbal**

February 12, 2001

Company Secretary

## NOTES

1. The Share Transfer Books of the Bank will remain closed from March 18 to March 27, 2001 (both days inclusive). Transfers received at M/s Askari Associates (Private) Limited, 6th Floor, AWT Plaza, The Mall, Rawalpindi, the Registrar and Share Transfer Office of the Bank at the close of the business on 17 March, 2001 will be treated in time for purpose of the entitlement of cash dividend and bonus shares (DW-4 & B-5) to the transferees.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote for him/her. Vote may be given either personally or by proxy or in case of a Company/Corporation by a representative duly authorized. A proxy must be a member of the Company. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the registered office of the Bank, AWT Plaza, The Mall, Rawalpindi, not less than 48 hours before the time of the meeting.

3. CDC shareholders entitled to attend and vote at this meeting must bring his/her original NIC or Passport alongwith the participants' ID numbers and account numbers to prove his/her identity. In case of proxy, must enclose an attested copy of his/her NIC or Passport. Representative of corporate members should bring the usual documents required for such purpose.

4. Shareholders are requested to promptly notify the change of address, if any, to our Registrar, M/s Askari Associates (Private) Limited.

## DIRECTORS' REPORT

### Dear Shareholders,

We are pleased to present to you the 9th Annual Report of Askari Commercial Bank Limited, along with the Audited Accounts and Auditor's Report thereon, for the year ended 31st December, 2000.

### THE ECONOMY

Pakistan's economy grew by 4.8% during the year 2000, primarily due to a healthy growth of 7.2% in the Agriculture Sector, which partly made up for the Manufacturing Sector's poor growth of 1.1% and Services Sector's growth of only 4.5%, against year 2000 targets of 5.0%, 4.3%, 5.8% and 5.1% respectively.

The Pakistani Rupee was allowed to float freely in July, 2000 and the State Bank of Pakistan (SBP) had to tighten its monetary policy thereafter in order to support the currency. In October, 2000 the Cash Reserve Requirement for Banks was increased by 2%, to 7%, resulting in an outflow of Rs. 24 billion from the Banking Sector. Simultaneous increases in SBP's rediscount rate from 11% p.a. to 13% p.a. and Treasury Bill auction rates from around 7% p.a. to 11% p.a. resulted in the tightening of the money supply and strengthening of the Rupee. Resumption of assistance from the International Financial Institutions and re-scheduling of a part of Pakistan's

foreign debt, has also provided some stability to the Rupee.

Despite a bumper cotton crop (11.4 M bales) in the 1999-2000 season, export revenues did not increase as much as expected due to a collapse in the international cotton prices (Cotton and cotton products' export revenues were 1999: US\$ 5.0 billion, 2000: US\$ 5.7 billion). Although wheat and edible oil imports decreased during 2000, the doubling of international oil prices increased value of petroleum imports from US\$ 1.5 billion to US\$ 2.8 billion.

Pakistan's Exports of US\$ 8,163 million during the year, against Imports of US\$ 9,598 million contributed towards the worsening of the Foreign Exchange Reserves Position, from US\$ 1.7 billion as at 30th June, 1999 to US\$ 1.3 billion for fiscal year end 2000.

During the year 2000, Pakistan's debt burden worsened to 59.0% of its GDP, as US\$ 7.8 billion accrued for debt re-payment in 2000, but only US\$ 3.7 billion could be re-paid and the balance of about US\$ 4.0 billion required re-scheduling. The debt burden is expected to increase further to 62.1% of the GDP in 2001, because of, inter alia, the continuing budget deficit which stood at 6.5% of GDP at end fiscal 2000 (1999: 6.1%).

Overall - Pakistan's economy remained under pressure during 2000, despite some improvement and stability over 1999. However, resumption of assistance from the International Financial Institutions and re-scheduling of foreign debt near the year end, offers grounds for optimism.

#### **OPERATING RESULTS OF THE BANK**

Despite the challenges facing the economy, your Bank's pre-tax & pre-provision profits increased from Rs. 814 million in 1999 to Rs. 887 million in 2000. To off-set the much reduced market spreads/margins arising from the intense competition between banks for the limited good risk business available, your Bank had to market aggressively for additional business to increase volumes. Consequently, the Deposits grew by Rs. 6.002 billion (24.6%), to cross the Rs 30 billion mark, Loans and Advances increased by Rs. 4.836 billion (37.0%), from Rs. 13.056 billion, to Rs. 17,893 billion, and total Balance Sheet footings crossed Rs. 37 billion, thereby registering a healthy growth of 20.1% over the preceding year. Hence your Bank's business recorded a substantial growth during the year 2000, under very difficult circumstances.

The net fund-based earnings increased by 6.7% from Rs. 864.3 million in 1999 to Rs. 921.9 million in 2000. This was achieved, despite the rate volatility, by an effective management of, and a reduction in, the cost of funds, to off-set the impact of the reduced gross fund-based earnings arising from the reduced markup rates during the year.

The Bank tried to maximize fee based earning opportunities, in order to proactively reduce the potential impact of reduced margins / spreads. Consequently, the non-fund-based earnings of the Bank increased by 19.7% from Rs. 538.7 million in 1999 to Rs. 644.7 million in 2000.

Your Bank invested in its future by incurring staff and other costs pertaining to new branches, Credit Cards business, new Retail Banking products, and Management Training programs, to enhance the income generation capacity of the Bank in the coming year(s). Hence, the increased costs are basically an investment for the future.

It was also considered prudent to increase, where appropriate, the

provisions against some non-performing loans, as also the general provisions. Despite this, Provisions against non-performing advances decreased, as a percentage of total Loans and Advances, from 0.78% last year, to 0.75% for the year 2000.

As a result, the Profit before Tax increased from Rs. 712.4 million for 1999 to Rs. 751.6 million for the year 2000.

After accounting for the taxes, the Profit for the year stood at Rs. 315.6 million, an increase of 11.8% over the preceding year (1999: Rs. 282.4 million). Consequently, the earnings per share increased from Rs. 2.86 per share in 1999 to Rs. 3.20 per share for the year 2000.

#### **CREDIT RISK MANAGEMENT**

Your Bank's Credit Division is responsible for efficient and effective identification, control and management of credit risks, through sound and prudent lending policies. Its aim is to develop a balanced and a well diversified good risk portfolio of remunerative and productive loans and advances.

We remain focussed on reducing the risk profile of the Bank. This is being done by greater diversification of the credit portfolio and, inter alia, a move towards higher-yielding Personal Finance products. Our traditional emphasis remains on short-term self-liquidating trade finance transactions. There is an increased focus on improved risk management in general, through, inter alia, an improved MIS to facilitate a more effective monitoring of the credit portfolio, with a special emphasis on effectively managing remedial accounts rooted in the past.

#### **FOREIGN TRADE**

We continue to enhance our leadership position in the Trade Finance area, which has been the traditional "bread & butter" business for us, and in which we have a proven track record of excellence.

Your Bank's Import business grew by 49.7% from Rs. 17.5 billion during 1999 to Rs. 26.2 billion in 2000. At the same time, the Export business increased by 34.2%, from Rs. 22.8 billion to Rs. 30.6 billion.

#### **TREASURY**

The year 2000 witnessed considerable mark-up / interest rate volatility, along with further depreciation of the Rupee vis-a-vis the U.S. Dollar due to:

a) the impact of the increase in the US\$ LIBOR and Treasury Bill rates, b) the free float of US\$/Pak rupee in the inter-bank market, c) removal of the trading band between Buy / Sell for the customers, and d) very low money market rates for most of the year.

The money market rates remained depressed till almost the end of the third quarter, when the State Bank of Pakistan suddenly started increasing the relevant bench-mark rates. This tightening of the money market resulted in further reducing the profitability of the banking industry due to the time lag involved in suitably adjusting the investment portfolios and passing on the increased cost of funds to the customers.

The market expectations for the year 2001 for the money market rates remain more or less at the same level as at the year end 2000. A somewhat tight monetary policy is expected to keep in check any steep fall of the Rupee, notwithstanding any unforeseen developments in the fiscal policies.

## **CORPORATE & MERCHANT BANKING**

Corporate Banking Division, which became an independent unit in April 1999, with a portfolio of about Rs. 2.5 billion, had approved limits and disbursements in excess of Rs. 7.5 billion and Rs. 6.3 billion respectively, as at end 2000. It now has a Unit operating in Karachi, to market and service Karachi-based customers more effectively.

During the year 2000, your Bank successfully co-arranged a syndicated loan facility of Rs. 4 billion for National Database and Registration Authority (NADRA) for the creation of a national database warehouse. This is reportedly the second largest syndication in the history of Pakistan and the first in which your Bank is the Agent as well as the Lead Bank.

## **RETAIL BANKING**

During the year 2000, the Bank organised a Retail Banking Group, and by the end of the year was successful in launching innovative consumer banking products developed to meet individual customer needs. This business is expected to grow during 2001, and will add a new dimension to your Bank's business profile. It will also improve the sustainability of our earnings, by increasing our focus on generating relatively low cost deposits and new high-yielding Personal Finance products.

In addition, we have revived our car financing scheme, "AsKar", and built up a healthy portfolio of over Rs. 55 million in less than 3 months.

New deposit products such as the Askari Bank's Value Plus - an innovative Saving and Term Deposit Scheme, have also been launched successfully.

## **ELECTRONIC BANKING**

Electronic Technology Division has been constantly striving to provide enhanced value and added features in the existing and new products and services to our customers.

Additional facilities are planned to be made available shortly, through our Internet Banking initiative. These will further increase the existing range of technology related products such as: AskCash (24 hours ATM Services), AskNet (On-line Inter-branch Banking Facilities), Askari link (Automated Telephone Banking Facility), etc.

For the sake of increasing customer convenience, your Bank has also entered into an ATM switch sharing arrangement with Habib Bank - an extension of the already existing arrangement with ABN-Amro Bank. Consequently, your Bank's customers can now avail the services of the Habib Bank & ABN Amro Bank ATMs, just as those of Askari Bank, thus giving them more convenient options.

In the last Annual Report we had mentioned that we would be going live as a SWIFT (Society for Worldwide Inter-bank financial Telecommunications) member Bank. This has been achieved and your Bank's SWIFT code is ASCMPKKA, which can be quoted along with your relevant account number, and the branch, whenever you want any funds remitted to your account from abroad, particularly from any SWIFT member bank worldwide.

Your Bank wants to move to a "paper-less environment", to the maximum extent possible, in due course of time. In order to achieve this, we plan to automate entire processes and not just the transactions, or part thereof.

Your Bank now has a new web-page at "askaribank.com.pk", which has received the international Golden Web Page award.

### **CREDIT CARDS**

Your Bank had initially launched Credit Cards by using another bank and its systems, as a third party processor. However, we faced serious problems with that arrangement, and have therefore shifted to our own in-house Card Processing System (Genesys). Our Master Card MIP (Member Interface Processor) - used for clearing, payments and settlement purposes - is now working successfully. Since your Bank is no longer dependent on a third party processor in providing Cards services, our service level is expected to improve greatly.

### **MARKETING & CUSTOMER SERVICE**

You must have noticed the increased press coverage and advertising being done to create and effectively market your Bank's Corporate, as well as Product / Brand Image.

New banking products offered by your Bank are being increasingly "Branded", in order to emphasize product (Brand) differentiation, create Brand recognition, enhance Branch demand and ensure Brand loyalty.

Anonymous checks of customer service standards at branches are being done, in order to identify areas which require improvement, particularly in customer service standards, and to identify staff training needs.

### **HUMAN RESOURCE MANAGEMENT**

Your Bank has increased its focus on providing in-house training to staff. The Training & Research Wing has been beefed up and is now in the process of actively conducting training sessions all year round to enhance professionalism and employee development.

Increased Job Rotation and Job Enrichment and other initiatives are underway to enhance Staff satisfaction, which will no doubt translate into better customer service.

### **CREDIT RATING**

The Pakistan Credit Rating Agency (Pvt.) Ltd. (PACRA), an affiliate of FITCH IBCA Ltd., U.K., has upgraded the Bank's long term entity rating from A+ to AA-, while maintaining the short term rating at AI+, which is the highest possible in this category.

According to PACRA, "the rating upgrade recognizes the demonstrated capacity of ACBL's management to manage risk, as well as its strong ability to mobilise resources". Furthermore, "these ratings denote a very strong capacity for the timely payment of financial commitments".

### **BRANCH NETWORK**

Your Bank currently has 29 branches spread over the major cities of Pakistan. During the year 2000, a new branch was opened in Quetta Cantt. Work is underway to open further new branches. The Peshawar Road Branch in Rawalpindi is expected to start operations in the first quarter of 2001, and apart from tapping new sources of business and deposits, it will also help to reduce the heavy load on our AWT Plaza Branch, thereby enabling us to improve further our standards

of service and customer satisfaction.

### **PROSPECTS FOR 2001**

Pakistan's economy is expected to grow by a modest 4.5% during 2001 (2000: 4.8%), as the Agriculture sector which did well in 2000, is likely to suffer from the estimated 31% shortage of water supply.

The present Government is trying to widen the tax base to increase revenues, and is taking various measures to increase exports. It is also trying to attract new foreign and domestic investment by giving incentives, particularly in the areas of Oil & Gas, Textile modernization & Information Technology.

The resumption of balance of payment and development assistance from the International Financial Institutions and re-scheduling of Pakistan's foreign debt, has renewed confidence and, despite the challenges facing the economy, provides room for cautious optimism.

### **ACKNOWLEDGEMENTS**

We would like to take this opportunity to thank our customers for giving us their patronage and valuable business, to the State Bank of Pakistan and other regulatory authorities for their guidance, to the employees of the Bank for their commitment and hard-work, and to the shareholders of the Bank for the trust and confidence reposed in us.

**For and on Behalf of the Board**

Rawalpindi  
February 12, 2001

**Lt. Gen. Ali Muhammad Jan Aurakzai**  
**Chairman**

### **AUDITORS REPORT FOR 2000**

#### **ASKARI COMMERCIAL BANK LIMITED** **AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of Askari Commercial Bank Limited ("the Bank") as at 31 December 2000 and the related profit and loss account and the statement of changes in financial position, together with the notes forming part thereof for the year then ended, in which are incorporated the unaudited certified returns from the branches except for seven branches which have been audited by us and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and after due verification thereof, found them satisfactory, and we report that:

(a) in our opinion proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 and the returns referred to above received from the branches have been found adequate for the purposes of our audit;

(b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;



ii) the expenditure incurred during the year was for the purpose of the Bank's business; and

iii) the business conducted, investments made and tile expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;

c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet and the profit and loss account and the statement of changes in financial position together with the notes forming part thereof give the information required by tile Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984, in the manner so required and give a true and fair view of the state of the Bank's affairs as at 31 December 2000 and its true balance of the profit and the changes in financial position for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

ISLAMABAD  
February 12, 2001

**TASEER HADI KHALID & CO.**  
**CHARTERED ACCOUNTANTS**

## **BALANCE SHEET** **as at December 31, 2000**

	<i>Note</i>	<i>2000</i> <i>(Rupees in '000)</i>	<i>1999</i> <i>(Rupees in '000)</i>
<b>Assets</b>			
Cash	4	4,424,170	3,035,275
Balances with other banks	5	2,197,553	1,265,147
Money at call and short notice		1,900,000	2,910,000
Investments	6	8,569,619	8,678,879
Advances	7	17,892,567	13,056,146
Operating fixed assets	8	577,761	464,633
Capital work in progress	9	57,704	71,193
Other assets	10	1,629,981	1,545,572
		-----	-----
		37,249,355	31,026,845
<b>Liabilities</b>			
Deposits and other accounts	11	30,359,824	24,357,594
Borrowings from other banks, agents etc.	12	3,156,836	3,243,678
Bills payable		191,694	217,651
Other liabilities	13	1,159,763	891,219
Liabilities against assets subject to finance lease	14	41,683	37,282
Deferred liability for taxation	23.2	185,000	233,000
		-----	-----
		35,094,800	28,980,424
		-----	-----
Net assets		2,154,555	2,046,421

**Represented by:**

Share capital	15	986,226	986,226
Reserve fund & other reserves	16	1,227,349	1,059,675
Un-appropriated profit		500	520
Shareholders' equity	17	2,214,075	2,046,421
Deficit on revaluation of governments securities	6	(59,520)	--
		-----	-----
		2,154,555	2,046,421

**Memorandum Items:**

Bills for collection	18	5,832,697	4,949,349
Acceptances, endorsements and other obligations		5,192,313	4,272,083
Contingent liabilities and commitments	19		

The annexed notes form an integral part of these accounts.

**Zafar Alam Khan Sumbal**  
Director

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

**Lt. Gen. (R) Mohammad Afsar**  
Director

**Lt. Gen. Ali Muhammad Jan Aurakzai**  
Chairman

Rawalpindi  
February 12, 2001

**PROFIT AND LOSS ACCOUNT**  
**For the year ended December 31, 2000**

	<i>Note</i>	<i>2000</i> <i>(Rupees in '000)</i>	<i>1999</i> <i>(Rupees in '000)</i>
Mark up/interest and discount and/or return earned		3,178,649	3,350,131
Less: cost/return on deposits, borrowing etc.		2,256,724	2,485,796
		-----	-----
		921,925	864,335
Fees, commission and brokerage		397,911	318,567
Profit/(Loss) from investment securities		17,041	(19)
Dividend income		13,839	8,827
Other operating income	20	213,943	207,089
		-----	-----
		642,734	534,464
		-----	-----
		1,564,659	1,398,799
<b>Operating expenses</b>			
Administrative expenses	21	679,902	588,595
Provisions against non-performing advances	7.2	134,976	102,004
Debts written off directly		126	23
		-----	-----

		815,004	690,622
		-----	-----
		749,655	708,177
Other income	22	1,933	4,269
		-----	-----
<b>Profit before taxation</b>		751,588	712,446
Taxation - Current		484,000	267,000
- Deferred		(48,000)	163,000
	23.1	-----	-----
		436,000	430,000
		-----	-----
<b>Profit after taxation</b>		315,588	282,446
Un-appropriated profit brought forward		520	564
		-----	-----
Profit available for appropriation		316,108	283,010
<b>Appropriations:</b>			
Transfer to reserve for contingencies		100,000	50,000
Transfer to general reserve		3,674	2,900
Transfer to statutory reserve		64,000	57,000
Proposed dividend @ 15% (1999: @ 17.5%)		147,934	172,590
		-----	-----
		315,608	282,490
		-----	-----
<b>Un-appropriated profit carried forward</b>		500	520
		-----	-----
<b>Earnings Per Share - (Rupees)</b>	32	3.20	2.86
		=====	=====

The annexed notes form an integral part of these accounts.

**Zafar Alam Khan Sumbal**  
Director

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

**Lt. Gen. (R) Mohammad Afsar**  
Director

**Lt. Gen. Ali Muhammad Jan Aurakzai**  
Chairman

Rawalpindi  
February 12, 2001

## STATEMENT OF CHANGES IN FINANCIAL POSITION

### For the year ended December 31, 2000

*2000*                      *1999*  
(Rupees in '000) (Rupees in '000)

#### CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	751,588	712,446
Less/Add: (Profit)/Loss from investment securities	(17,041)	19
Dividend income	(13,839)	(8,827)

	720,708	703,638
<b>Adjustments:</b>		
Depreciation	73,791	68,411
Provision against non-performing advances (net)	133,815	102,004
Net profit on sale of fixed assets	(1,933)	(4,269)
Finance charge on leased assets	5,910	9,268
	211,583	175,414
<b>(Increase)/decrease in operating assets</b>		
Government Securities	122,352	5,432,936
Advances	(4,970,236)	(3,449,800)
Other assets	(147,981)	(98,869)
	(4,995,865)	1,884,267
<b>Increase/(decrease) in operating liabilities</b>		
Deposits and other accounts	6,002,230	944,441
Bills payable	(25,957)	3,812
Other liabilities	293,234	190,460
	6,269,507	1,138,713
Cash flow before tax	2,205,933	3,902,032
Income tax paid	(420,428)	(584,136)
Net cash flow from operating activities	1,785,505	3,317,896
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments other than Government Securities	(115,192)	(302,292)
Net proceeds from sale of investments/redemption of Term Finance Certificates	59,621	78,933
Dividend income	13,839	8,827
Fixed capital expenditure	(177,504)	(105,743)
Sale proceeds of fixed assets	6,007	6,362
Net cash flow from investing activities	(213,229)	(313,913)

**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**For the year ended December 31, 2000**

**2000**                      **1999**  
*(Rupees in '000)*      *(Rupees in '000)*

**CASH FLOW FROM FINANCING ACTIVITIES**

Net borrowings from other banks, agents etc.	(86,842)	927,278
Payment of lease obligations	(30,126)	(44,083)

Leases during the year	28,583	16,365
Dividends paid	(172,590)	(197,245)
	-----	-----
Net cash flow from financing activities	(260,975)	702,315
	-----	-----
Net increase in cash and cash equivalents	1,311,301	3,706,298
Cash and cash equivalents at the beginning of the year	7,210,422	3,504,124
	-----	-----
Cash and cash equivalents at the end of the year	8,521,723	7,210,422
	-----	-----
<b>Cash and cash equivalents</b>		
Cash	4,424,170	3,035,275
Balances with other banks	2,197,553	1,265,147
Money at call and short notice	1,900,000	2,910,000
	-----	-----
	8,521,723	7,210,422
	=====	=====

The annexed notes form an integral part of these accounts.

**Zafar Alam Khan Sumbal**  
Director

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

**Lt. Gen. (R) Mohammad Afsar**  
Director

**Lt. Gen. Ali Muhammad Jan Aurakzai**  
Chairman

Rawalpindi  
February 12, 2001

## **NOTES TO THE ACCOUNTS**

### **For the year ended December 31, 2000**

#### **1. STATUS AND NATURE OF BUSINESS**

Askari Commercial Bank Limited ("the Bank") was incorporated in Pakistan on October 09, 1991 as a Public Limited Company, and is listed on the Karachi, Lahore & Islamabad Stock Exchanges. The Bank obtained its business commencement certificate on February 26, 1992 and started operations from April 01, 1992.

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. BASIS OF PRESENTATION**

2.1 In accordance with the directives of the Federal Government regarding shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued a number of circulars. One permissible form of trade related mode of financing comprises of purchase of goods by the banks from their customers and resale to them at appropriate mark-up in price on a deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these accounts as such but are restricted to the amount of facilities actually utilized and the appropriate portion of mark-up thereon.

#### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Statement of compliance**

These accounts have been prepared in accordance with the accounting standards issued by the International Accounting Standards Committee ("IASC") and interpretations issued by the Standing Interpretation Committee of the IASC, as applicable in Pakistan and the requirement of the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984.

### **3.2 Accounting Convention**

These accounts have been prepared using the historical cost convention as modified for the revaluation of investments in Market Treasury Bills in conformity with the accepted practice of banking institutions in Pakistan.

### **3.3 Capital work-in-progress, operating fixed assets and depreciation**

#### **Capital work-in-progress is stated at cost.**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is computed over the estimated useful lives of the related assets at varying rates, as set out in note 8. The cost of assets is depreciated on the diminishing balance method, except for vehicles, carpets and renovation costs which are depreciated on a straight line basis. Depreciation is charged for the full month on purchase/acquisition of an asset while no depreciation is charged in the month of disposal of an asset. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gains and losses on disposal of fixed assets are taken to the profit and loss account.

Assets held under finance lease are accounted for by recording the assets and related liabilities at the amounts determined on the basis of lower of fair value of the-assets and the present value of minimum lease payments. Finance charge is allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged on leased assets on the basis similar to that of owned assets.

### **3.4 Staff Retirement Benefits**

#### **Defined benefit plan**

The Bank operates an approved funded gratuity scheme for all its permanent employees. Contributions are made in accordance with the actuarial recommendation.

#### **Defined contribution plan**

The Bank also operates a recognised provident fund scheme for all its permanent employees for which equal monthly contributions are made both by the Bank and by the employees to the fund at the rate of 8.33% of basic pay.

### **3.5 Taxation**

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted at the balance sheet date and any adjustment to tax payable for previous years.

Deferred tax is provided using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **3.6 Investments**

All securities held by the bank are classified as investment securities. Securities held with the intent and ability to hold are stated at amortized cost less provision for permanent diminution in value, if any with the exception of securities where ready quotes are available on Reuters Page (PKRV) or Stock Exchanges. From this year, in accordance with requirements of BSD circular No. 20 dated 04, August 2000 securities for which ready quotes are available on Reuters Page (PKRV) or Stock Exchanges are valued at market value and the resulting surplus/deficit is kept in a separate account and is shown below the share holders' equity in the balance sheet.

### 3.7 Advances

Advances are stated net of provisions for non-performing advances. Provision for non-performing advances is determined by the management keeping in view the requirements of the Prudential Regulations issued by the State Bank of Pakistan. Advances are written off when there is no realistic prospect of recovery.

### 3.8 Foreign Currencies

Assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those ruling at the Balance Sheet date except those covered by forward exchange contracts which are converted at contracted rates. Exchange gains and losses are taken to the profit and loss account.

### 3.9 Revenue Recognition

Income is recognized on accrual basis except for income which is required to be carried forward in compliance with the Prudential Regulations issued by the State Bank of Pakistan.

	<i>2000</i>	<i>1999</i>
	<i>(Rupees in '000)</i>	<i>(Rupees in '000)</i>
<b>4. CASH</b>		
In hand -local currency	359,293	331,522
- foreign currencies	107,662	230,627
	-----	-----
	466,955	562,149
With State Bank of Pakistan in:		
Special deposit account		
Foreign currency placement	3,378,613	1,063,852
Current account - Note 4.1	529,888	1,374,719
	-----	-----
	3,908,501	2,438,571
With National Bank of Pakistan in local currency current account	48,714	34,555
	-----	-----
	4,424,170	3,035,275
	=====	=====

4.1 This represents statutory cash reserve maintained under section 22 of Banking Companies Ordinance, 1962.

### 5. BALANCES WITH OTHER BANKS

In Pakistan		
Current Accounts	20,820	32,607
Deposit Accounts	809,522	230,000
	-----	-----
	830,342	262,607

Outside Pakistan		
Current Accounts	93,747	97,643
Deposit Accounts	1,273,464	904,897
	-----	-----
	1,367,211	1,002,540
	-----	-----
	2,197,553	1,265,147
	=====	=====

## 6. INVESTMENTS

### Investment securities:

Federal and Provincial Government Securities		
Federal investment bonds	2,420,077	2,484,862
GoP Market Treasury Bills	5,424,049	5,481,616
	-----	-----
	7,844,126	7,966,478
Less: Deficit on revaluation of GoP Market Treasury Bills - Note 6.1	59,520	--
	-----	-----
	7,784,606	7,966,478

Investments in subsidiary companies and associated undertakings - Note 6.2	7,500	7,500
Fully paid up ordinary shares		
Listed companies	88,233	88,233
Debentures, Bonds, Participation Term Certificates and Term Finance Certificates		
Listed	253,313	131,808
Unlisted	109,944	121,070
	-----	-----
	363,257	252,878

### Other investments:

National Investment Trust Units	188,505	200,007
National Prize Bonds	5,368	19,383
Capital Investment in Khushali Bank - Note 6.3	50,000	--
Equity Investment in PEFG	5,680	--
Others (Placements with financial institutions)	132,070	200,000
	-----	-----
	381,623	419,390
	-----	-----
	8,625,219	8,734,479
Less: Provision for diminution in the value of investments	55,600	55,600
	-----	-----
	8,569,619	8,678,879

Market value of quoted investments	496,658	374,776
Book value of unquoted investments	8,087,668	8,306,932
	-----	-----
	8,584,326	8,681,708
	=====	=====

6.1 Following the directives issued by the State Bank of Pakistan vide BSD Circular No. 20 dated August 04, 2000 Market Treasury Bills are revalued and the resultant surplus/deficit is taken directly to "Surplus/Deficit



on Revaluation of Securities", however, these Government Securities carry fixed discount rate and are redeemable at par on maturity.

6.2 This represents investment in 991,875 shares of Rs. 10 each as 15% investment in the equity of Askari General Insurance Company Limited, an associated listed company [Market value as at December 31, 2000: Rs. 11,183 thousand (1999: Rs. 10,392 thousand)].

The audited accounts of Askari General Insurance Company Limited for the year ended December 31, 2000 were not available, however, the impact of carrying this investment at equity method is considered immaterial to these accounts.

6.3 This represent the Bank's subscription towards the paid up capital of Khushali Bank (previously Micro Finance Bank) in terms of SBP letter No. BSD (RU-26)/625-MfB/13817/00 dated August 07, 2000.

6.4 Investments include securities having a book value of Rs. 6 million pledged with National Bank of Pakistan as security to facilitate T.T. discounting facility to branches of the Bank. Investments also include securities having book value of Rs. 200 million pledged with State Bank of Pakistan as security to facilitate same day credit against surrender of foreign currency deposits.

At 31 December 2000 securities held under resale commitments with book value of Rs. 1,403 million were included in investments.

**2000**                      **1999**  
**(Rupees in '000) (Rupees in '000)**

## 7. ADVANCES

Loans, cash credits, overdrafts, etc.

In Pakistan	13,011,230	9,529,134
	-----	-----
	13,011,230	9,529,134
 Bills discounted and purchased		
Payable in Pakistan	1,510,889	949,849
Payable outside Pakistan	4,042,343	3,115,243
	-----	-----
	5,553,232	4,065,092
	-----	-----
	18,564,462	13,594,226
Less: Provision for non-performing advances - Note 7.2	671,895	538,080
	-----	-----
	17,892,567	13,056,146
	=====	=====

Advances include Rs. 1,085,180 thousand (1999: Rs. 1,054,084 thousand) which have been placed on non-performing status as per Prudential Regulations of the State Bank of Pakistan.

### 7.1 Particulars of advances

In local currency	14,522,119	10,478,983
In foreign currencies - Note 7.1.1	4,042,343	3,115,243
	-----	-----
	18,564,462	13,594,226
	=====	=====

Debts considered good in respect of which the bank is fully secured	18,550,849	13,587,038
Debts considered good for which the bank holds no other security other than the debtors' personal security	13,613	7,188
	-----	-----
	18,564,462	13,594,226
	=====	=====

**Balance as at Maximum\***  
**Dec 31, 2000 During the year**

Debts due by directors or executives of the bank or any of them either severally or jointly with any other persons	9,108	10,071
Debts due by subsidiary companies, controlled firms, managed modarabas and other associated undertakings	--	320,819
	-----	-----
	9,108	330,890
	=====	=====

\* This represents the maximum aggregate amount of advances outstanding during the year 2000. The maximum amount has been calculated by reference to month end balances.

7.1.1. These represent foreign bills purchased and finance against foreign bills.

**7.2 Particulars of provisions against non-performing advances**

	<i>Specific</i>	<i>General</i>	<i>(Rupees in '000)</i>	
			<i>Total</i>	
			<i>2000</i>	<i>1999</i>
Opening balances	371,347	166,733	538,080	436,076
Requirement for the year				
Additions	115,450	70,174	185,624	294,761
Reversals	(50,648)	--	(50,648)	(277,788)
	-----	-----	-----	-----
	64,802	70,174	134,976	16,973
	-----	-----	-----	-----
Charge for the year	64,802	70,174	134,976	102,004
Amount written-off	(1,161)	--	(1,161)	--
	-----	-----	-----	-----
Closing balances	434,988	236,907	671,895	538,080
	-----	-----	-----	-----
Provision against:				
Advances to others	434,988	236,907	671,895	538,080
	-----	-----	-----	-----
	434,988	236,907	671,895	538,080
	=====	=====	=====	=====

7.3 The provisioning requirement for bad and doubtful debts of the Bank has been determined after taking into consideration the forced/distressed sale value of collaterals available with the Bank against classified portfolios.

**7.4 Amounts written-off during the year**

In terms of section 33A(3) of the Banking Companies Ordinance, 1962, the statement in respect of written off loans or any other financial relief of five hundred thousand rupees or above allowed during the year as given at Annexure-1.

## 8. OPERATING FIXED ASSETS

(Rupees in '000)

	<i>Cost</i>			<i>At Dec 31, 2000</i>	<i>Depreciation</i>			<i>At Dec.31, 2000</i>	<i>Book value At Dec 31, 2000</i>	<i>Rate of Depreciation %</i>
	<i>At Jan 1, 2000</i>	<i>Additions</i>	<i>Transfers/ (Deletions)</i>		<i>At Jan. 1, 2000</i>	<i>Charge for the year</i>	<i>Accumulated Dep on Disposals/Transfers</i>			
Land-freehold	25,131	51,879	--	77,010	--	--	--	77,010	--	
Buildings on freehold land	199,907	59,137	--	259,044	20,346	9,744	--	30,090	228,954	5%
Renovation of leased premises	119,321	11,708	(25)	131,004	80,925	13,445	--	94,370	36,634	20%
Furniture, fixtures and office equip	58,843	4,819	(1,855)	61,807	17,458	4,246	(617)	21,087	40,720	10%
Carpets	8,284	838	(324)	8,798	5,448	1,128	(225)	6,351	2,447	20%
Machines and equipment	115,377	13,068	(1,190)	127,255	51,149	13,847	(520)	64,476	62,779	20%
Vehicles	21,558	2,871	(6,232)	31,154	17,312	4,130	(5,182)	24,350	6,804	20%
Computer equipments	69,999	17,678	(461)	87,216	29,091	9,540	(213)	38,418	48,798	20%
	618,420	161,998	2,870	783,288	221,729	56,080	1,333	279,142	504,146	
<b>Assets under finance lease</b>										
Machines and equipment	18,348	--	--	18,348	7,391	2,191	--	9,582	8,766	20%
Vehicles	62,125	28,995	(12,957)	76,856	28,373	10,857	(8,090)	30,577	46,279	20%
Computer equipment	40,156	--	--	40,156	16,923	4,663	--	21,586	18,570	20%
	120,629	28,995	(14,264)	135,360	52,687	17,711	(8,653)	61,745	73,615	
2000	739,049	190,993	(11,394)	918,648	274,416	73,791	(7,320)	340,887	577,761	
1999	554,765	194,172	(9,888)	739,049	213,800	68,411	(7,795)	274,416	464,633	

### 8.1 Detail of disposal of fixed assets

(Rupees in '000)

	<i>Original Cost</i>	<i>Accumulated Depreciation</i>	<i>Book Value</i>	<i>Sale Proceeds</i>	<i>Mode of Disposal</i>	<i>Particulars of Buyers</i>
Vehicles	319	287	32	202	By negotiation	Mr. Umer Farooq Zaheer - Lahore
	314	314	--	104	do	Mr. Abbas A. Jaffery - Peshawar
	369	338	31	202	do	Mr. Mohammad Yameen - Lahore
	501	359	142	227	do	Mr. Javed Hayat- Lahore
	501	342	159	227	do	Mr. M. Gulzar Hussain - Multan
	501	367	134	227	do	Mr. Zafar Iqbal - Peshawar
	631	484	147	281	do	Mr. Riaz ul Haq- Lahore
	500	342	158	221	do	Mr. M. Ayub- Rawalpindi
	500	359	141	227	do	Mr. M. Sarwar - Rawalpindi
	599	549	50	221	do	Syed Shaukat Hussain - Peshawar
	501	392	109	227	do	Mr. Jamal Ahmed - Karachi

692	692	--	433	Tender	Malik Ishaq - Rawalpindi
557	557	--	257	Tender	Malik Ishaq - Rawalpindi
676	79	597	650	Insurance claim	EFU General Insurance Ltd.
378	284	94	250	do	Askari General Insurance Company Ltd.
-----	-----	-----	-----		
7,539	5,745	1,794	3,956		

Other Assets having book value of less than Rs. 100,000 and cost of less than Rs. 1 million

3,855	1,575	2,280	2,051
-----	-----	-----	-----
11,394	7,320	4,074	6,007
=====	=====	=====	=====
9,888	7,795	2,093	6,362
=====	=====	=====	=====

2000

1999

**2000**      **1999**  
*(Rupees in '000) (Rupees in '000)*

### 9. CAPITAL WORK IN PROGRESS

Building under construction:

- Gulberg, Lahore	57,704	51,424
- Saima Trade Tower, Karachi	--	201
- Gulistan-e-Johar, Karachi	--	15,068
- Bolan Complex, Quetta	--	4,500
	-----	-----
	57,704	71,193
	=====	=====

### 10. OTHER ASSETS

Stationery and stamps on hand	9,578	7,872
Income/mark up accrued on advances and investments - Note 10.1	1,072,014	920,007
Commission & other income receivable	--	140
Prepaid exchange risk fee	18,206	35,806
Other advances, deposits, advance rent and other prepayments	67,030	51,734
Taxation (Advance payments less provision)	405,096	468,668
Suspense account	25,013	45,016
Excise Duty recoverable	3,567	5,851
Others	29,477	10,478
	-----	-----
	1,629,981	1,545,572
	=====	=====

10.1 Mark up in suspense is shown under other liabilities.

### 11. DEPOSITS AND OTHER ACCOUNTS

Fixed deposits	6,182,048	5,679,025
Saving deposits	14,866,208	20,305,253
Current accounts	2,900,974	3,879,209
Others (Margin on LCs., LGs., Acceptances, etc.)	386,559	376,404
Special exporters' account	4,746	95,829
Deposits and other accounts of banks	17,059	24,104

24,357,594	30,359,824
=====	=====

**11.1 Particulars of deposits and other accounts**

In local currency	23,808,920	19,375,633
In foreign currencies	6,550,904	4,981,961
	-----	-----
	30,359,824	24,357,594
	=====	=====

**12. BORROWINGS FROM OTHER BANKS, AGENTS, ETC.**

In Pakistan	2,882,492	3,144,547
Outside Pakistan	274,344	99,131
	-----	-----
	3,156,836	3,243,678
	=====	=====

**12.1 Particulars of borrowings from other banks, agents, etc.**

In local currency	2,882,492	3,144,547
In foreign currencies	274,344	99,131
	-----	-----
	3,156,836	3,243,678
	=====	=====

**12.2 Secured**

Loans from State Bank of Pakistan		
Export refinance - 12.2.1	2,882,492	3,144,547
Un-secured		
Nostro account Credit Balances	274,344	99,131
	-----	-----
	3,156,836	3,243,678
	=====	=====

12.2.1 Markup on export refinance from State Bank of Pakistan is charged at the rate of 6% per annum payable on quarterly basis and is secured against demand promissory note executed in favour of State Bank of Pakistan.

**13. OTHER LIABILITIES**

Mark-up/Interest on loans/borrowings	38,204	77,019
Profit payable on PLS deposits and other accounts	165,201	181,125
Interest on foreign currency deposits	27,607	22,335
Branch adjustment account	161,467	39,174
Unearned commission	14,535	15,118
Accrued expenses	14,161	19,152
Advance payments received	28,296	9,220
Mark-up on non-performing advances	411,715	281,320
Provision for leave encashment	7,569	5,162
Unclaimed dividend	13,428	9,382
Proposed dividend	147,934	172,590
Others(Withholding tax payable, excise duty payable, etc.)	129,646	59,622
	-----	-----

	1,159,763	891,219
	=====	=====

**14. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

The amount of minimum lease payments and the period in which they become due are as follows:

<i>Year</i>		
2000	--	28,924
2001	23,350	10,851
2002	16,660	40,881
2003	9,207	--
	-----	-----
	49,217	43,863
Less: finance charge allocated to future periods	7,534	6,581
	-----	-----
	41,683	37,282
	=====	=====

The bank has entered into various lease agreements with leasing companies and modarabas for equipment and vehicles. Lease rentals are payable on quarterly basis and include finance charges ranging between 14.75% to 20.50% which has been used as discounting factor. The bank has option to purchase the assets upon completion of lease period and has the intention to exercise such option.

**15. SHARE CAPITAL**

Authorized capital		
150,000,000 ordinary shares of Rs. 10/- each	1,500,000	1,500,000
Issued, subscribed and paid-up capital		
67,500,000 ordinary shares of Rs. 10/- each issued for cash	675,000	675,000
31,122,563 ordinary shares of Rs. 10/- each issued as fully paid bonus shares	311,226	311,226
	-----	-----
	986,226	986,226
	=====	=====

**16. RESERVE FUND & OTHER RESERVES***(Rupees in '000)*

	<i>Capital Reserve</i>		<i>Revenue Reserves</i>				
	<i>Share Premium account</i>	<i>General Reserve</i>	<i>Statutory Reserve</i>	<i>Reserve for issue of Bonus Shares</i>	<i>Reserve for Contingencies*</i>	<i>Total Revenue Reserves</i>	<i>Total</i>
						<i>2000</i>	<i>1999</i>
Balance as at Jan. 1, 2000	55,525	336,900	527,250	--	140,000	1,004,150	949,775
Transfer from profit and loss account	--	3,674	64,000	--	100,000	167,674	109,900
Other Movements	(49,311)	--	--	49,311	--	49,311	--
	-----	-----	-----	-----	-----	-----	-----
Balance as at Dec. 31, 2000	6,214	340,574	591,250	49,311	240,000	1,221,135	1,059,675

\* Reserve for contingencies has been created for risk assets comprising advances and investments excluding Government Securities. The reserve has been created, as a matter of prudence, exclusively to provide sufficient cushion for any future losses in its risk assets portfolio.

## 17. STATEMENT OF CHANGES IN EQUITY

(Rupees in '000)

	<i>Share capital</i>	<i>Share Premium A/C</i>	<i>Reverse for issue of Bonus shares</i>	<i>Reverse Fund</i>	<i>General Reserve</i>	<i>Reserve for Contingencies</i>	<i>Unappropriated profit</i>	<i>Total</i>
Balance as at January 1, 1999	986,226	55,525	--	470,250	334,000	90,000	564	1,936,565
Net profit for the year	--	--	--	--	--	--	282,446	282,446
Proposed dividend	--	--	--	--	--	--	(172,590)	(172,590)
Transferred to:								
Reserve fund	--	--	--	57,000	--	--	(57,000)	--
- General reserve	--	--	--	--	2,900	--	(2,900)	--
- Reserve for contingencies	--	--	--	--	--	50,000	(50,000)	--
Balance as at December 31, 1999	986,226	55,525	--	527,250	336,900	140,000	520	2,046,421
Net profit for the year	--	--	--	--	--	--	315,588	315,588
Proposed dividend	--	--	--	--	--	--	(147,934)	(147,934)
Transferred to:								
- Reserve fund	--	--	--	64,000	--	--	(64,000)	--
- General reserve	--	--	--	--	3,674	--	(3,674)	--
- Reserve for Contingencies	--	--	--	--	--	100,000	(100,000)	--
- Reserve for issue of bonus share	--	(49,311)	49,311	--	--	--	--	--
	986,226	6,214	49,311	591,250	340,574	240,000	500	2,214,075
Deficit on revaluation of Government Securities	--	--	--	--	--	--	--	(59,520)
<b>Balance as at December 31, 2000</b>	986,226	6,214	49,311	591,250	340,574	240,000	500	2,154,555

2000 1999  
(Rupees in '000) (Rupees in '000)

## 18. BILLS FOR COLLECTION

Payable in Pakistan	166,774	177,961
Payable outside Pakistan	5,665,923	4,771,388
	5,832,697	4,949,349

Bills for collection represent bills drawn in favour of various financial institutions in Pakistan and abroad

on behalf of Bank's customers. These are accepted by the Bank as an agent and the Bank does not carry any credit risk in respect of these bills.

## 19. CONTINGENT LIABILITIES AND COMMITMENTS

### 19.1 Contingencies

Money for which the Bank is contingently liable

a) Contingent liability in respect of guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings

	301	135
--	-----	-----

b) Contingent liability in respect of guarantees given favouring:

i) Government

	4,783,473	4,978,466
--	-----------	-----------

ii) Banks and other financial institutions

	1,097,129	1,142,755
--	-----------	-----------

iii) Others

	1,039,502	1,537,217
--	-----------	-----------

	-----	-----
	6,920,104	7,658,438
	=====	=====

### 19.2 Commitments

Commitments in respect of forward exchange contracts

Sale

- To other banks

	1,725,307	932,605
--	-----------	---------

- To customers

	1,116,172	682,504
--	-----------	---------

	-----	-----
	2,841,479	1,615,109

Purchase

- From State Bank of Pakistan

	290,000	780,000
--	---------	---------

- From other banks

	823,284	391,571
--	---------	---------

- From customers

	125,316	19,333
--	---------	--------

	-----	-----
	1,238,600	1,190,904

	-----	-----
	4,080,079	2,806,013
	=====	=====

Commitments against "REPO" transactions

Purchase and re-sale agreements

	1,825,747	1,976,759
--	-----------	-----------

Sale and re-purchase agreements

	1,644,160	3,558,417
--	-----------	-----------

Un-drawn facilities

	9,364,607	6,107,143
--	-----------	-----------

	-----	-----
	22,613	25,225
	=====	=====

### 19.3 Off balance sheet financial instruments

Off balance sheet financial instruments referred to as derivatives are contracts the characteristics of which are derived from those of underlying assets. These include forwards and swaps in money and foreign exchange markets. The Bank's exposure in these instruments represent forward foreign exchange contracts, on behalf of customers in import and export transactions, forward sales and purchases on behalf of customers in the interbank market and with the State Bank of Pakistan. The Bank also enters into repo transactions against Government Securities carrying fixed interest rates and having fixed contractual maturities. The risks associated with forward exchange contracts are managed by matching the maturities and fixing counterparties' intra-day and overnight limits. In addition, these also come under the State



Bank of Pakistan net open position limits. The credit risk associated with repo transactions is secured through underlying Government Securities.

## 20. OTHER OPERATING INCOME

Income from dealing in foreign currencies	125,063	153,047
Recoveries of expenses from customers	83,201	49,522
Rent of lockers	5,679	4,520
	-----	-----
	213,943	207,089
	=====	=====

## 21. ADMINISTRATIVE EXPENSES

Salaries, allowances etc. [include charge of Rs. 19,499 thousand (1999: Rs. 8,453 thousand) for earned leave encashment]	294,284	251,007
Staff retirement benefits	20,888	15,700
Non executive director's fees and allowances	28	38
Brokerage and commission	8,561	7,258
Rent, taxes, insurance, electricity etc.	78,377	68,785
Legal and professional charges	8,516	9,920
Communications	66,327	55,984
Repairs and maintenance	30,621	25,124
Finance charge on leased assets	5,910	9,268
Stationery and printing	21,817	19,333
Advertisement and publicity	14,622	11,448
Auditors' remuneration - Note 21.1	1,371	960
Depreciation - Note 8	73,791	68,411
Other expenditure (travelling, security services, vehicle running expenses, etc.)	54,789	45,359
	-----	-----
	679,902	588,595
	=====	=====

### 22.1 Auditors' remuneration

Audit fee	272	247
Fee for audit of provident fund and gratuity fund	30	30
Special certificates/examinations and sundry advisory services	135	97
Tax services	851	570
Out of pocket expenses	83	16
	-----	-----
	1,371	960
	=====	=====

## 22. OTHER INCOME

Net profit on sale of fixed assets	1,933	4,269
	-----	-----
	1,933	4,269
	=====	=====

## 23. TAXATION

### 23.1 Relationship between tax expense and accounting profit

Profit before taxation	751,588	712,446
------------------------	---------	---------

Tax at applicable tax rate of 58 percent (1999: 58 percent)	436,000	413,219
Others	--	16,781
	436,000	430,000
Current	484,000	267,000
Deferred	(48,000)	163,000
	436,000	430,000

23.2 The deferred tax liability appearing in the accounts is on account of deferred credits arising due to the following:

Accelerated tax depreciation	28,948	29,880
Excess of accounting book value of leased assets over lease liabilities	18,564	17,783
Profit receivable on Government Securities	137,488	185,337
	185,000	233,000

23.3 The tax assessments of the Bank upto and including the assessment year 1999-2000 have been finalized by the taxation authorities. While finalizing the assessments for the assessment years 1998-99 and 1999-2000, the income tax authorities have disallowed provisions made by the bank against classified loans in accordance with Prudential Regulations and have considered interest credited to Suspense Account as taxable income. On appeal, the Commissioner of Income Tax (Appeals), however, decided these issues in the Bank's favor. The income tax authorities have preferred appeals to the Income Tax Appellate Tribunal against the Commissioner's order. The tax authorities have also re-opened assessments for previous years relating to these matters. Furthermore, assessments for certain years are being contested by the Bank at the appellate forums for disallowances made by the taxation authorities against the orders of the Commissioner of Income Tax (Appeals).

Since the Commissioner of Income Tax (Appeals) has deleted the disallowances made by the income tax authorities on account of provisions and interest on Suspense Account for classified loans, these tax liabilities have not been recognized. Nevertheless, should these liabilities materialize at a later stage, these will be on account of temporary differences and will result in the creation of a deferred tax asset. Except for these matter, tax demands have been fully provided for.

#### 24. REMUNERATION OF DIRECTORS AND EXECUTIVES

(Rupees in '000)

	<i>Chief Executive</i>		<i>Directors</i>		<i>Executives</i>	
	2000	1999	2000	1999	2000	1999
Fees	3	8	28	38	--	--
Managerial remuneration	2,220	2,276	--	--	7,353	7,540
Retirement benefits	811	4,543	--	--	2,782	1,046
House Rent Allowance	666	556	--	--	3,034	3,152
Utilities allowance	222	176	--	--	714	740
Medical reimbursement	49	147	--	--	664	678
Bonus	555	744	--	--	1,716	1,721

	4,526	8,450	28	38	16,263	14,877
Number of persons	1	2	11	11	11	15

Chief Executive/Executives are also provided Bank maintained cars. Executive means an officer, other than Chief Executive/Directors, whose basic salary exceeds five hundred thousand rupees in a financial year.

## 25. MATURITIES OF ASSETS AND LIABILITIES

	<i>2000</i> <i>(Rupees in '000)</i>				
	<i>Total</i>	<i>Upto one month</i>	<i>Over one month to one year</i>	<i>Over one year to five years</i>	<i>Over five years</i>
<b>Assets</b>					
Cash	4,424,170	4,424,170	--	--	--
Balances with other banks	2,197,553	2,197,553	--	--	--
Money at call and short notice	1,900,000	1,900,000	--	--	--
Investments	8,569,619	(422,804)	6,282,581	1,399,913	1,309,929
Advances	17,892,567	1,883,463	11,429,660	2,875,355	1,704,089
Operating fixed assets	577,761	4,530	49,830	217,437	305,964
Capital work-in-progress	57,704	--	57,704	--	--
Other assets	1,629,981	496,865	1,133,116	--	--
	37,249,355	10,483,777	18,952,891	4,492,705	3,319,982
<b>Liabilities</b>					
Deposits & other accounts	30,359,824	25,877,990	3,680,912	800,922	--
Borrowings from other banks, agents etc.	3,156,836	631,367	2,525,469	--	--
Bills payable	191,694	191,694	--	--	--
Other liabilities	1,159,763	352,125	320,294	487,344	--
Liabilities against assets subject to finance lease	41,683	679	17,708	23,296	--
Deferred liability for taxation	185,000	--	--	--	185,000
	35,094,800	27,053,855	6,544,383	1,311,562	185,000
Net balance	2,154,555	(16,570,078)	12,408,508	3,181,143	3,134,982
Shareholders' equity	2,154,555				

The savings and demand deposits amounting to Rs. 24,209 thousand have been reported under upto one month maturity. However, these are not expected to be payable within the one month period.

### 25.1 Liquidity Risk

Liquidity risk reflects an enterprises inability in raising funds to meet commitments. The Bank's liquidity position is managed by the Asset and Liability Management Committee. The Committee monitors the maintenance of balance sheet liquidity ratios, depositors concentration both in terms of the over all

funding mix and avoidance of undue reliance on large individual deposits and liquidity contingency plan. Moreover, core retail deposits, (current accounts and saving accounts) form a considerable part of the Bank's overall funding and significant importance is attached to the stability and growth of these deposits.

## 26. SEGMENT ANALYSIS

### 26.1 Geographic segment

	<i>2000</i> <i>(Rupees in '000)</i>				
	<i>Profit before taxation</i>	<i>Total assets employed</i>	<i>Net assets employed</i>	<i>Bills for collection</i>	<i>Acceptances, endorsements &amp; other obligations</i>
Pakistan	751,588	37,249,355	2,154,555	5,832,697	5,192,313
Asia Pacific (including South Africa)	--	--	--	--	--
Europe	--	--	--	--	--
United States of America & Canada	--	--	--	--	--
Middle East	--	--	--	--	--
Others	--	--	--	--	--
	----- 751,588	----- 37,249,355	----- 2,154,555	----- 5,832,697	----- 5,192,313
	=====	=====	=====	=====	=====

### 26.2 Segment by class of business

	<i>2000</i> <i>(Rupees in '000)</i>					
	<i>Deposits</i>		<i>Advances</i>		<i>Un-Funded Facilities*</i>	
	<i>Rupees in '000</i>	<i>Percentage</i>	<i>Rupees in '000</i>	<i>Percentage</i>	<i>Rupees in '000</i>	<i>Percentage</i>
1. Agriculture / Agribusiness	156,315	0.51	360,622	1.94	3,908	0.03
2. Automobiles and allied	392,580	1.29	202,736	1.09	491,796	4.06
3. Cables/electronics	103,436	0.34	36,640	0.20	362,872	3.01
4. Carpets	113,597	0.38	284,389	1.53	54,862	0.45
5. Cement	50,715	0.17	192,110	1.03	159,237	1.32
6. Chemicals/Pharmaceuticals	320,667	1.06	700,639	3.77	683,589	5.65
7. Engineering	87,388	0.30	514,615	2.77	274,393	2.27
8. Fertilizer	1,191	0.00	713,819	3.85	744,602	6.15
9. Food and Allied	69,745	0.23	222,102	1.20	476,885	3.94
10. Fuel/Energy	415,818	1.37	1,400,460	7.54	869,611	7.18
11. Ghee and edible oil	194,485	0.64	284,943	1.53	322,728	2.66
12. Glass and ceramics	14,305	0.05	91,595	0.49	39,919	0.33
13. Hotels / Restaurants	17,128	0.06	11,595	0.06	--	--
14. Individuals	10,170,638	33.50	585,617	3.15	6,623	0.05
15. Insurance	34,274	0.11	3,560	0.02	162	0.00
16. Investment Banks/Scheduled B	120,501	0.40	824,927	4.44	1,152,222	9.51
17. Leasing	349,827	1.15	121,303	0.65	--	--
18. Leather products and shoes	91,668	0.30	954,945	5.14	75,220	0.62
19. Modarabas	42,564	0.14	--	0.00	--	--
20. Paper and Board	32,621	0.11	317,975	1.71	77,762	0.64

21. Plastic Products	61,543	0.20	68,216	0.37	243,051	2.01
22. Ready-made garments	46,883	0.15	94,599	0.52	82,284	0.68
23. Real Estate/Construction	789,225	2.60	395,743	2.67	1,633,809	13.49
24. Rice processing and trading	1,264	0.00	55,132	0.30	117	0.00
25. Rubber Products	13,842	0.05	16,790	0.09	131,064	1.08
26. Services (Other than financial,	1,015,207	3.34	756,750	4.08	82,550	0.68
27. Sports goods	49,683	0.16	91,743	0.49	425	0.00
28. Sugar	4,723	0.02	221,864	1.20	201,644	1.66
29. Surgical Equipment	94,999	0.31	208,702	1.12	61,146	0.50
30. Synthetic and Rayon	39,060	0.13	48,030	0.26	76,629	0.63
31. Textile:						
31.1 Export	1,157,135	3.81	2,930,987	15.27	550,876	4.55
31.2 Manufacturing	768,939	2.53	3,641,077	19.61	631,919	5.22
32. Tobacco/Cigarette manufacturi	31,226	0.10	1,135,643	6.12	64,918	0.54
33. Transport and communications	538,919	1.78	222,618	1.20	900,357	7.43
34. Travel agencies	130,912	0.43	16,048	0.09	50,040	0.41
35. Woollen	583,959	1.92	7,382	0.04	1,810	0.01
36. Others	12,252,842	40.36	828,546	4.46	1,603,688	13.24
	30,359,824	100.00	18,564,462	100.00	12,112,718	100.00

\* Contingent liabilities in respect of letter of Guarantees and letter of Credits and Acceptances.

### 26.3 Segment by sector

2000

	<i>Deposits</i>		<i>Advances</i>	
	<i>Rupees in '000</i>	<i>Percentage</i>	<i>Rupees in '000</i>	<i>Percentage</i>
Public/Government	1,738,676	5.73	1,119,862	6.03
Private	28,621,148	94.27	17,444,600	93.97
	30,359,824	100.00	18,564,462	100.00

### 26.4 Credit Risk

The focus of the Bank's commercial lending continues to be short-term trade related financing on a secured and self liquidating basis. The Bank will also continue its emphasis on diversification of its assets to avert large single industry or group exposure.

The Bank has built and maintains a sound loan portfolio in terms of well defined Credit Policy approved by the Board of Directors. Its credit evaluation system comprises of well-designed credit appraisal, sanctioning and review procedures for the purpose of emphasizing prudence in its lending activities and ensuring quality of asset portfolio. Special attention is paid to the management of non-performing loans. A separate Credit Monitoring Cell (CMC) is operational at the Head Office. A "watchlist" procedure is also functioning which identifies loans showing early warning signals of becoming non-performing.

The Bank constantly monitors overall credit exposure and takes analytical and systematic approaches to its credit structure categorized by group and industry. The credit portfolio is well diversified sectorally with manufacturing and exports accounting for the bulk of the financing which is considered to be low risk

due to the nature of underlying security.

The Bank is further diversifying its Asset portfolio, by offering new Consumer Banking products (Personal Finance, Car Leasing, etc.) to its customers, as it provides better margins than traditional business lending opportunities, whilst spreading the risk over a large number of individual customers.

## 27. CURRENCY BREAKDOWN OF ASSETS AND LIABILITIES

2000

	<i>Assets</i>		<i>Liabilities</i>		<i>Un-Funded Facilities</i>	
	<i>Rupees in '000</i>	<i>Percentage</i>	<i>Rupees in '000</i>	<i>Percentage</i>	<i>Rupees in '000</i>	<i>Percentage</i>
Pak Rupees	30,128,908	80.89	30,295,677	81.33	5,955,527	49.17
U.S. Dollars	6,605,752	17.73	6,404,663	17.19	3,805,913	31.42
Pound Sterling	324,742	0.87	389,479	1.05	287,366	2.37
Deutsche Mark	80,717	0.22	34,088	0.09	982,436	8.11
Japanese Yen	15,595	0.04	17,348	0.05	189,148	1.56
Other European Currencies	73,320	0.20	791	0.00	632,486	5.22
Other Currencies	20,321	0.05	107,309	0.29	259,842	2.15
	37,249,355	100.00	37,249,355	100.00	12,112,718	100.00

## 28. MARKET RISK

Market risk is the risk that interest and foreign exchange rates fluctuate resulting in profit or loss to the Bank. The Bank's interest rates exposure comprises those originating from investing and lending activities. The Asset and Liability Management Committee of the Bank monitors and manages the interest rates risk with the objective of limiting the potential adverse effect on the profitability of the Bank.

The Bank's foreign exchange exposure comprises of forward contracts, purchases of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign currency placements with State Bank of Pakistan and foreign currency deposits. The Bank manages its foreign exchange exposure by matching foreign currency assets and liabilities. The net open position and the nostro balances are managed within the statutory limits, as fixed by the State Bank of Pakistan. Counter parties limits are also fixed to limit risk concentration.

## 29. FINANCIAL ASSETS AND LIABILITIES

Exposure to interest rate risk and sensitivity of financial assets and financial liabilities of the Bank are summarized below:

2000  
(Rupees in '000)

	<i>Total</i>	<i>Within one year</i>	<i>Over one year to five years</i>	<i>Over five years</i>	<i>Not exposed to interest rate risk</i>	<i>Effective interest rate</i>
<b>Assets</b>						
Cash	4,424,170	3,378,613	--	--	1,045,557	4.25% - 6.80%
Balances with other banks	2,197,553	2,082,986	--	--	114,567	3.30% - 12.00%
Money at call and short notice	1,900,000	1,900,000	--	--	--	12.60% - 14.50%

Investments	8,569,619	5,570,091	1,399,913	1,309,929	289,686	11.19%
Advances	17,892,567	13,313,123	2,875,355	1,704,089	--	5.0% - 14.50%
Other assets	1,629,981	--	--	--	1,629,981	
	-----	-----	-----	-----	-----	-----
	36,613,890	26,244,813	4,275,268	3,014,018	3,079,791	
<b>Liabilities</b>						
Deposits & other accounts	30,359,824	25,207,054	800,922	--	4,351,848	0.25% - 13.0%
Borrowings from other banks, agents etc.	3,156,836	3,156,836	--	--	--	--
Bills payable	191,694	--	--	--	191,694	--
Other liabilities	1,159,763	--	--	--	1,159,763	--
Liabilities against assets subject to finance lease	41,683	18,387	23,296	--	--	14.75% - 20.5%
Deferred liability for taxation	185,000	--	--	--	185,000	
	-----	-----	-----	-----	-----	-----
	35,094,800	28,382,277	824,218	--	5,888,305	
	-----	-----	-----	-----	-----	-----
Gap	1,519,090	(2,137,464)	3,451,050	3,014,018	(2,808,514)	
	=====	=====	=====	=====	=====	=====
Cummulative Gap		(2,137,464)	1,313,586	4,327,604	1,519,090	
	=====	=====	=====	=====	=====	=====

**2000**                      **1999**  
(Rupees in '000) (Rupees in '000)

### 30. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

i) Advances given during the year		31,209	289,610
ii) Advances repaid during the year		320,819	--
iii) Deposits (at year end)		1,367,583	162,547
iv) Mark-up/Interest expensed		29,205	18,159
v) Mark-up/Interest earned on advances		42,373	7,744
vi) Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies		301	135
vii) Rent for property		28,303	21,008
viii) Share registrar fee		10,800	9,548
ix) Insurance premium		3,469	2,908
x) Insurance claims received		951	506
xi) Security services		3,004	1,618

### 31. FAIR VALUE OF FINANCIAL INSTRUMENTS

Carrying value of financial instruments approximates their fair values.

		<b>2000</b>	<b>1999</b>
<b>32. EARNINGS PER SHARE</b>			
Net profit for the year attributable to ordinary shareholders	Rs. '000	315,588	282,446
Weighted average number of ordinary shares outstanding during the year	Number	98,622,563	98,622,563
Earnings per share	Rupees	3.20	2.86
		=====	=====

### 33. AVERAGE NO. OF EMPLOYEES

1,077                      999

=====

**34. DEFINED BENEFIT PLAN**

The benefits under the gratuity scheme are payable on retirement at the age of 60 years or earlier cessation of services in lumpsum. The benefit is equal to one month's last drawn salary for each year of eligible service or part thereof, subject to a minimum of three years of service.

The actuarial valuation is carried out using "Projected Unit Credit Actuarial Cost Method". The main assumptions used for actuarial valuation were as follows:

- Discount rate is 14 percent per annum
- Expected rate of increase in salaries is 13 percent per annum
- Expected rate of return on investments is 14 percent per annum

**2000**  
**(Rupees in '000)**

The amounts recognised in the balance sheet are as follows:

Present value of defined benefit obligations	52,305
Fair value of defined benefit assets	60,700
	-----
	8,395
	=====

The net actuarial gain will be recognized in the following year.

The gratuity plan assets include deposit maintained with the Bank at a fair value of Rs. 5,841 thousand.

**35. GENERAL**

35.1 Figures have been rounded off to the nearest thousand rupees.

35.2 Corresponding figures have been rearranged, wherever necessary, for the purposes of comparison.

35.3 Captions as prescribed by BPRD circular No. 31 dated August 13, 1997 issued by the State Bank of Pakistan in respect of which there are no amounts have not been reproduced in these accounts.

**Zafar Alam Khan Sumbal**  
**Director**

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

**Lt. Gen. (R) Mohammad Afsar**  
**Director**

**Lt. Gen. Ali Muhammad Jan Aurakzai**  
**Chairman**

Rawalpindi  
February 12, 2001

**ANNEXURE '1' REFERRED TO IN NOTE 7.4 TO THESE ACCOUNTS**

Statement in terms of sub-section (3) of Section 33-A of the Banking Companies Ordinance, 1962 in respect of written off loans or any other financial reliefs of five hundred thousand rupees or above allowed to a person (s) during the year ended December 31, 2000.



(Rupees in '000)

<i>S.No.</i>	<i>Name &amp; Address of the Borrower</i>	<i>Name of Individuals/ Partners/Directors</i>	<i>Father's Name</i>	<i>Outstanding Liabilities on the opening day of the year</i>	<i>Amount Written off</i>	<i>Other Financial Reliefs allowed</i>	<i>Total</i>
1.	M/S Best Products (Pvt) Ltd. Plot # DP-12, Sector 12/C, Industrial Area, North Karachi.	Sh. Naeem Anwar 514-87-143715	Sheikh Naseem Anwar	3,009 Principal:	1,161	--	1,936
				Mark-up:	<u>775</u>		
					1,936		
		Sh. Naseem Anwar 517-93-467991	Sheikh Fazal Elahi				

### **PATTERN OF SHAREHOLDING as at December 31, 2000**

<i>Number of Shareholders</i>	<i>Shareholding From</i>	<i>To</i>	<i>Total Shares Held</i>
1,737	1	100	80,257
2,478	101	500	664,430
2,444	501	1,000	1,661,405
4,932	1,001	5,000	8,022,833
184	5,001	10,000	1,256,664
126	10,001	110,000	2,959,779
2	110,001	210,000	281,962
1	310,001	410,000	322,309
2	410,001	510,000	985,375
3	510,001	610,000	1,679,273
1	4,510,001	4,610,000	4,602,386
7	4,910,001	5,010,000	34,517,889
1	5,910,001	6,010,000	5,930,773
1	6,710,001	6,810,000	6,802,365
1	13,810,001	13,910,000	13,862,352
1	14,910,001	15,010,000	14,992,511
<b>11,921</b>		<b>Total</b>	<b>98,622,563</b>

### **Categories of Shareholders**

<i>Particulars</i>	<i>Number of Share Holders</i>	<i>Shares Held</i>	<i>Percentage %</i>
Individuals	11,845	54,593,052	55.35
Investment companies	9	65,346	0.07
Insurance companies	10	1,473,317	1.49
Joint Stock companies	33	35,795,271	36.30
Financial institutions	17	727,512	0.74

Modaraba companies	3	4,205	0.00
Charitable trusts	2	5,963,646	6.05
Others	2	214	0.00
<b>Total</b>	<b>11,921</b>	<b>98,622,563</b>	<b>100.00</b>

## CORRESPONDENT NETWORK

### 1. Australia

Australia & New Zealand Banking  
Group (ANZ Bank)  
ABN AMRO Bank NV  
Banque Nationale de Paris SA  
Citibank Ltd.  
Commonwealth Bank of Australia  
Hongkong Bank of Australia  
INC Bank NV  
Westpac Banking Corporation

### 2. Austria

ABN AMRO Bank NV  
American Express Bank Ltd  
Bank Austria AG  
Citibank international Plc  
Creditanstalt AG  
ING Bank NV  
SKWB Schoelerbank AG  
Oberosterreichische Landesbank AG  
Raiffeisen Zentralbank Osterreich (RZB)

### 3. Argentina

ABN AMRO Bank NV  
Citibank NA  
Hongkong & Shanghai Banking  
Corporation Ltd. (The)  
INC Bank NV  
Standard Chartered Bank

### 4. Algeria

Banque de l'Agriculture et du  
Developpement Rural  
Citibank NA

### 5. Armenia

HSBC Bank Armenia Jsc

### 6. Aruba

ABN AMRO Bank NV  
Citibank NA

**7. Azerbaijan**

Hongkong & Shanghai Banking  
Corporation Ltd. (The)

**8. Bangladesh**

Al Baraka Bank Bangladesh Ltd  
American Express Bank Ltd.  
Habib Bank Ltd.  
Standard Chartered Bank  
United Commercial Bank Ltd.

**9. Barbados**

Citibank NA

**10. Belgium**

ABN AMRO Bank NV  
Banque Ruxelles Lambert SA,  
Cera Bank  
Citibank NA  
Commerzbank AG  
Fortis Bank SA/NV  
Habib Bank Ltd.  
INC Bank NV  
Kreditbank NV

**11. Bahamas**

Citibank NA  
Standard Chartered Bank

**12. Bahrain**

ABN AMRO Bank NV  
Citibank NA  
Habib Bank Ltd.  
Standard Chartered Bank

**13. Brazil**

ABN AMRO Bank NV  
Citibank NA  
ING Bank NV  
Standard Chartered Bank

**14. Brunei Darus Salam**

Citibank NA  
Hongkong & Shanghai Bankin  
Corporation Ltd. (The)  
Standard Chartered Bank

**15. Bulgaria**

Commercial Bank Biochim  
Hypovereinsbank Bulgaria GMBH  
ING Bank NV

**16. Canada**

ABN AMRO Bank Canada  
Canadian Imperial Bank of Commerce  
ING Bank NV  
National Bank of Canada  
Royal Bank of Canada  
Toronto Dominion Bank (The)

**17. Cayman Island**

ABN AMRO Bank NV

**18. Channel Islands**

ABN AMRO Bank NV  
Citibank NA

**19. Chile**

Americian Express Bank Ltd.  
Citibank NA

**20. China**

ABN AMRO Bank NV  
ANZ Banking Group Ltd.  
Bank of China  
China Construction Bank  
China Merchants Bank  
Commerzbank AG  
Export-Import Bank of China  
Fortis Bank NV/SA  
Hongkong & Shanghai Banking  
Corporation Ltd. (The)  
ING Bank NV  
Standard Chartered Bank

**21. Cook Island**

ANZ Banking Group Ltd.

**22. Croatia**

Zagrebacka Banka DD

**23. Cyprus**

Cyprus Popular Bank Ltd.  
HSBC Investment Bank Cyprus

**24. Czech Republic**

ABN AMRO Bank NV  
Ceskoslovenska Obchodni Banka A/S  
Citibank NS  
Commerzbank AG  
Bank Austria Creditanstalt Czech  
Republic A/S  
HypoVereinsbank (CZ) A/S  
ING Bank NV

Raifeisenbank A/S

**25. Denmark**

ABN AMRO Bank NV

Citibank NA

Den Danske Bank NS

Sparekassen Nordjylland A/S. (SBN)

Unibank A/S

**26. Egypt**

American Express Bank

Bank of Alexandria

Citibank NA

National Bank of Pakistan

Mashreq Bank Psc

**27. Ecuador**

ABN AMRO Bank NV

Citibank NA

ING Bank NV

**28. Finland**

Leonia Bank Plc

Skandinaviska Enskilda Banken

Svenska Handelsbanken

**29. Fiji**

ANZ Banking Group Ltd

**30. France**

ABC International Bank Plc

ABN AMRO Bank NV

ANZ Bank Group Ltd.

Banque Nationale De Paris

Caisse Central Des Banques Popular

Citibank NA

Commerzbank AG

Credit Lyeanals SA

Habib Bank Ltd.

HypoVereinsbank

ING Bank NV

National Bank of Pakistan

Societe Generale

Standard Chartered Bank

Union de Banques Arabes et

Francaises (UBAF)

**31. Germany**

American Express Bank Gmbh

ANZ Banking Group Ltd

Bayerische Landesbank

Citibank NA  
Commerzbank AG

Deutsche Bank AG  
DG Bank  
Dresdner Bank AG  
Fortis Bank NV/SA  
HypoVereinsbank  
ING Bank NV  
Sparkasse Aachen  
Standard Chartered Bank  
SGZ Bank  
Vereins Und Westbank  
WGZ Bank

**32. Greece**

ABN AMRO Bank NV  
Alpha Credit Bank  
American Express Bank Ltd.  
Bank of Crete SA  
Citibank NA  
HypoVereinsbank  
ING Bank NV

**33. Honduras**

Citibank NA

**34. Hongkong**

ABN AMRO Bank NV  
American Express Bank Ltd.  
ANZ Banking Group Ltd.  
Bank of East Asia Ltd (The)  
Citibank NA  
Commerzbank AG  
Fortis Bank NV/SA  
Heng Seng Bank Ltd  
HBZ Finance Company  
Hongkong & Shanghai Banking  
Corporation Ltd. (The)  
HypoVereinsbank  
ING Bank NV  
Meespierson NV  
National Bank of Pakistan  
Standard Chartered Bank  
UBAF (Hongkong) Limited

**35. Hungary**

Budapest Bank Rt  
Citibank NA  
Creditanstalt Rt  
HypoVereinsbank Hungaria Rt  
ING Bank NV

Uniebank Rt

**36. India**

ABN AMRO Bank NV  
American Express Bank Ltd.  
Citibank NA  
Commerzbank AG  
ING Bank AG  
Mashreqbank Psc  
Standard Chartered Bank  
State Bank of India

**37. Indonesia**

ABN AMRO Bank NV  
American Express Bank Ltd.  
ANZ Banking Group Ltd.  
Citibank NA  
Hongkong & Shanghai Banking  
Corporation Ltd.  
Lippo Bank PT  
Standard Chartered Bank

**38. Iran**

Bank Melli Iran  
Bank Saderat Iran  
Standard Chartered Bank

**39. Ireland**

ABN AMRO Bank NV  
Bank of Ireland  
Citibank NA  
ING Bank NV  
National Westminster Bank Plc

**40. Italy**

ABN AMRO Bank NV  
American Express Bank Ltd.  
Banca Nazionale del Lavoro SpA  
Banca Di Roma  
Banca Commerciale Italiana  
Banca Nazional Dell' Agricoltura SpA  
Banco Ambrosiano Veneto SpA  
Cariverona Banca SpA  
Cassa Di Risparmio Di Torino  
Cassa Di Risparmio Delle Province  
Lombarde SpA  
Citibank NA  
Deutsche Bank AG  
Dresdner Bank AG  
Fortis Bank NV/SA  
HypoVereinsbank

ING Bank NV  
UBAE Arab Italian Bank  
UniCredito Italiano SPA

**41. Jamaica**

Citibank NA

**42. Japan**

ABN AMRO Bank NV  
American Express Bank Ltd.  
ANZ Banking Group Ltd.  
Asahi Bank Ltd.  
Bank of New York (The)  
Bank of Tokyo-Mitsubishi Ltd. (The)  
Citibank NA  
Commerzbank AG  
Hong kong & Shanghai Banking  
Coporation (The)  
HypoVereinsbank  
ING Bank NV  
National Bank of Pakistan  
Sanwa Bank  
Sakura Bank (The)  
Standard Chartered Bank  
Tokai Bank (The)  
Union de Banques Arabes et  
de Francaises (UBAF)

**43. Jordan**

Citibank NA  
Jordan National Bank Plc  
Housing Bank  
Hongkong & Shanghai Banking  
Corporation Ltd. (The)

**44. Kenya**

African Banking Corporation Ltd.  
ABN AMRO Bank NV  
Citibank NA  
Habib Bank AG Zurich  
Kenya Commercial Bank Limited  
Standard Chartered Bank

**45. Korea (South)**

ABN AMRO Bank NV  
American Express Bank Ltd.  
ANZ Banking Group Ltd.  
Boram Bank  
Citibank NA  
Daegu Bank Ltd  
Hongkong & Shanghai Banking  
Corporation Ltd. (The)



ING Bank NV  
KorAm Bank  
Korea Exchange Bank  
Shinhan Bank  
Standard Chartered Bank  
Union de Banques Arabes et  
Francaises (UBAF)

**46. Kuwait**

Gulf Bank KSC

**47. Luxemburg**

Banque de Commerce et de Placement  
Banque Generale du Luxembourg SA  
SGZ Bank

**48. Macao**

Standard Chartered Bank

**49. Malaysia**

ABN AMRO Bank NV  
ANZ Banking Group Ltd.  
Citibank NA  
Commerzbank AG  
Hongkong & Shanghai Banking  
Corporation Ltd. (The)  
ING Bank NV  
Public Bank Berhad  
RHB Bank Berhad  
Standard Chartered Bank

**50. Mauritius**

Mauritius Commercial Bank Ltd. (The)

**51. Mexico**

ABN AMRO Bank NV  
Citibank NA  
Standard Chartered Bank

**52. Manaco**

ABN AMRO Bank NV  
Citibank NV  
HSBC Monoco

**53. Morocco**

Banque Marocaine da Commerce  
Exteieur SA  
Citibank NA

**54. Nepal**

Standard Chartered Bank

**55. Netherlands**

ABN AMRO Bank NV  
American Express Bank Ltd.  
Citibank NA  
Commercial Bank Nederland NV  
F Van Lanschot Bankiers NV  
Fortis Bank NV/SA  
Habib Bank Ltd.  
ING Bank NV  
Meespierson NV

**56. New Zealand**

ABN AMRO Bank NV  
ANZ Banking Group (Newzealand) Ltd.  
Bank of New Zealand  
Citibank NA  
Hongkong & Shanghai Banking  
Corporation Ltd. (The)  
National Bank of New Zealand Ltd. (The)  
Standard Chartered Bank

**57. Norway**

Christiana Bank OG Kreditkasse

**58. Oman (Sultanate of)**

Citibank NA  
Habib Bank AG Zurich  
Oman International Bank SAOG  
Standard Chartered Bank

**59. Pakistan**

Allied Bank of Pakistan  
Muslim Commercial Bank Ltd.  
Oman International Bank SAOG

**60. Panama**

ABN AMRO Bank NV  
Citibank NA

**61. Popua New Guinea**

ANZ Banking Group (PNG) Ltd

**62. Philippines**

American Express Bank Ltd.  
ANZ Grindlays Bank Plc  
Citibank NA  
Far East Bank & Trust Company  
ING Bank NV  
Metropolitan Bank of Trust Co.  
PCI Bank  
Rizal Commercial Banking Corporation  
Security Bank Corporation

Standard Chartered Bank

**63. Poland**

Bank for Food Economy  
Bank Polska Kasa Opieki SA  
Bank Handlowy Warszawie SA  
Bank Rozwoju Eksportu SA  
Citibank NA  
Hypo Vereinsbank polska  
ING Bank NV  
Raiffeisen Centrobank SA

**64. Portugal**

ABN AMRO Bank NV  
Banco de Fomento e Exterior SA  
Banco Nacional Ultramarino SA  
Banco Totta & Acores SA  
Citibank NA  
Fortis Bank NV/SA

**65. Qatar**

Citibank NA  
Commercial Bank of Qatar (QSC) (The)  
Doha Bank Ltd.  
Mashreq Bank Psc  
Standard Chartered Bank

**66. Romania**

ABN AMRO Bank NV  
Banca Romana de Comert Exterior SA  
Banca Turco-Romana SA  
ING Bank NV  
Romanian Commercial Bank

**67. Russia**

ABN AMRO Bank NV  
ING Bank NV  
International Moscow Bank  
United Export Import (UNEXIM) Bank

**68. Saudi Arabia**

National Commercial Bank (The)  
Saudi British Bank (The)  
Saudi Hollandi Bank

**69. Senegal**

Citibank NA

**70. Singapore**

ABN AMRO Bank NV  
American Express Bank Ltd.  
ANZ Banking Group Ltd.

Citibank NA  
Commerzbank AG  
Dresdner Bank AG  
Habib Bank Ltd.  
Hongkong & Shanghai Banking  
Corporation (The)  
HypoVereinsbank  
ING Bank NV  
Keppel Tattlec Bank Ltd.  
Messpierson NV  
Overseas Union Bank Ltd.  
Standard Chartered Bank  
United Overseas Bank Limited  
Union de Banques et Francaises (UBAF)

**71. Slovakia**

Ceskoslovenska Obchodni Banka  
HypoVereinsbank Slovakia A.S.  
ING Bank NV  
Postova Banka AS

**72. Slovenia**

SKB Banka DD

**73. Solomon Island**

ANZ Banking Group Ltd.

**74. Spain**

ABN AMRO Bank NV  
Banca de Sabadell  
Banco bilbao vizeaya  
Banco Central Hispano  
Banco Atlantico SA  
Banco Popular Espanol  
Banco Espanol de Credito  
Banco Exterior de Espana  
Banco Santander  
Citibank NA  
Commerzbank AG  
Dresdner Bank AG  
Fortis Bank NV/SA

**75. South Africa**

ABN AMRO Bank NV  
ABSA Bank Ltd.  
Commerbank AG  
ING Bank NV  
Standard Bank of South Africa  
Standard Chartered Bank

**76. Sri Lanka**

ABN AMRO Bank NV

American Express Bank Ltd.  
Bank of Ceylon  
Citibank NA  
Habib Bank Ltd.  
Habib Bank AG Zurich  
Hatton National Bank  
Mashreq Bank Psc  
Standard Chartered Bank

**77. Sudan**

Citibank NA  
Habib Bank Ltd.  
Mashreq Bank Psc

**78. Sweden**

ABN AMRO Bank NV  
Citibank NA  
Foreningsbanken AB  
Sparbanken Sverige AB (SWEDBANK)  
Svenska Handelsbanken  
Skandinaviska Enskilda Banken

**79. Switzerland**

ABN AMRO Bank NV  
Banca Commercial Lugano  
Bank Fuer Handel Und Effekten  
Bank de' Commerce et de  
Placements, SA  
Citibank NA  
Commerzbank AG  
Credit Suisse First Boston  
Habib Bank AG Zurich  
Habibsons Bank Ltd.  
ING Bank NV  
UBS AG

**80. Taiwan**

ABN AMRO Bank NV  
American Express Bank Ltd.  
ANZ Banking Group Ltd.  
Citibank NA  
Commerzbank AG  
Farmers Bank of China (The)  
Fortis Bank NV/SA  
ING Bank NV  
Standard Chartered Bank  
Union Bank of Taiwan

**81. Tanzania**

Citibank NA  
Standard Chartered Bank

**82. Thailand**

ABN AMRO Bank NV  
American Express Bank Ltd.  
ANZ Banking Group Ltd.  
Bangkok Bank Public Company Ltd.  
Citibank NA  
Frist Bangkok City Bank Public  
Company Ltd  
Fortis Bank NV/SA  
Hongkong and Shanghai Banking  
Corporation Ltd. (The)  
ING Bank NV  
Siam Commercial Bank Public  
Company Ltd (The)  
Standard Chartered Bank  
Thai Farmers Bank Public  
Company Limited

**83. Tonga**

ANZ Banking Group Ltd.

**84. Tunisia**

Citibank NA  
Societe Tunisienne De Banque  
Tunis International Bank

**85. Turkey**

ABN AMRO Bank NV  
American Express Bank Ltd.  
Citibank NA  
Egebank AS  
EGS Bank  
Finansbank AS  
Habib bank Ltd.  
ING Bank NV  
KOC Bank

**86. United Arab Emirates**

ABN AMRO Bank NV  
Citibank NA  
Habib Bank AG Zurich  
Habib Bank Ltd.  
Mashreq Bank Psc  
Standard Chartered Bank  
Union National Bank

**87. United Kingdom**

ABC International Bank Plc  
ABN AMRO Bank NV  
ANZ Banking Group Ltd.  
Allied Bank of Pakistan Ltd.  
American Express Bank Ltd.

Citibank NA  
Commerzbank AG  
Fortis Bank NV/SA  
Habibsons Bank Ltd.  
Habib Bank AG Zurich  
Hongkong & Shanghai Banking  
Corporation (The)  
HypoVereinsbank  
ING Bank NV  
Lloyds TSB Bank Plc  
Mashreq Bank Psc  
National Westminster Bank Plc  
National Bank of Pakistan  
Standard Chartered Bank

**88. Uruguay**

ABN AMRO Bank NV  
American Express Bank Ltd.  
Citibank NA

**89. USA**

ABN AMRO Bank NV  
American Express Bank Ltd.  
ANZ Banking Group Ltd.  
Bank of New York  
Chase Manhattan Bank NA (The)  
Citibank NA  
Commerzbank AG  
Fortis Bank NV/SA  
Habib American Bank  
Habib Bank AG Zurich  
Habib Bank Ltd.  
Hongkong & Shanghai Banking  
Corporation (The)  
HypoVereinsbank  
ING Bank NV  
National Bank of Pakistan  
Standard Chartered Bank  
Mashreq Bank Psc

**90. Vanuatu**

ANZ Banking Group Ltd.

**91. Venezuela**

ABN AMRO Bank NV  
Citibank NA  
ING Bank NV  
Standard Chartered Bank

**92. Vietnam**

ABN AMRO Bank NV  
ANZ Banking Group Ltd.

ING Bank NV  
Standard Chartered Bank

**93. Yemen Arab Republic**

International Bank of Yemen YSC

**94. Zaire**

Citibank NA

**95. Zambia**

Standard Chartered Bank

**BRANCH NETWORK**

**\* NORTH REGION**

**RAWALPINDI**

**AWT Plaza, The Mall**, P.O. Box 1083, Rawalpindi.

Tel: PABX: (051) 5586634-7, 5586638-41

Fax: (051) 5586643, Tlx: 54647 ASKRI PK

**GHQ Branch**

Rawalpindi.

Tel: (051) 9271739-40, 561-31192

Fax: (051) 5580354

**ISLAMABAD**

**Rasheed Plaza, Jinnah Avenue,**

Blue Area, P.O. Box 1499, Islamabad.

Tel: PABX: (051) 2271794-6, 2271798-9

Fax: (051) 2271797, Tlx: 54683 ASKRI PK

**F-10 Markaz,**

Block 5-C, P.O. Box 1324, Islamabad

Tel: PABX: (051) 2212081-3,

Fax: (051) 2212080

**PESHAWAR**

**Fakhar-e-Alam Road,** Pashawar Cantt,

Tel: PABX: (091) 279437-8, 273829, 279683, 271653

Fax: (091) 276391, Tlx: 52314 ACBL PK

**Chowk Yadgar, Bank Square,**

Pashawar City

Tel: PABX: (091) 2561246-7, 2560156

Fax: (091) 2561245, Tlx: 52500 ACBL PK

**MARDAN**

**The Mall,** RO. Box 197, Mardan

Tel: PABX: (0931) 67502-4, 67545

Fax: (0931) 67515 Tlx: 52331 ASKRI PK



**ABBOTTABAD**

**Mansehra Road**, Lala Rukh Plaza, Abbottabad.

Tel: PABX: (0992) 332182-3, 332157-8

Fax: (0992) 332184

**MIRPUR (AK)**

**Chowk Shaheedan**, Hanfi Building 121 C/I,

Sector C-2, Mirpur (AK)

Tel: PABX: (058610) 42889, 44273

Fax: (058610) 44624

**\* CENTRAL REGION**

**LAHORE**

**Shahrah-e-Aiwan-e-Tijarat**,

RO. Box 1624, Lahore

Tel: PABX: (042) 7567001-5, 7583737,

7560072-4, 7581506

Fax: (042) 7583585, Tlx: 47781 ASKRI PK

**Tufail Road**, Lahore Cantt.

Tel: PABX: (042) 6674406-8, 6675025, 66996283-5

Fax: (042) 6674409, Tlx: 47746 ASKCT PK

**Circular Road**, Lahore.

Tel: PABX: (042) 7635920-22, 7633694

Fax: (042) 7635919, Tlx: 44254 ACBCR PK

**Main Boulevard, Gulberg-III, Lahore.**

Tel: PABX: (042) 5764842-4, 5760369, 5760427

Fax: (042) 5760958, Tlx: 44349 ACBLG PK

**Badami Bagh**, Lahore.

Tel: PABX: (042) 7727601-3, 7725300, 7721318

Fax: (042) 206489, Tlx: 44383 ACBBB PK

**LCCH Society Office**

Sector Y, Commercial Area,

Phase-III, Lahore Cantt.

Tel: PABX: (042) 5733818, 5726818

Fax: (042) 5732310

**FAISALABAD**

**University Road**, P.O. Box 346, Faisalabad.

Tel: PABX: (041) 619884-5, 639885, 619796, 619680

Fax: (041) 619127, Tlx: 43441 ASKRI PK

**SIALKOT**

**Paris Road**, P.O. Box 2890, Sialkot.

Tel: PABX: (0432) 262806-8, 265522

Fax: (0432) 265532, Tlx: 46263 ASKRI PK

**GUJRANWALA**

Trust Plaza, G.T. Road, Gujranwala  
Tel: PABX: (0431) 41712-3, 259014-5, 259017  
Fax: (0431) 259018, Tlx: 45253 ASKRI PK

#### **MULTAN**

**Abdali Road**, Multan  
Tel: PABX: (061) 580711-3, 580714  
Fax: (061) 580715, Tlx: 42338 ASKRI PK

#### **BAHAWALPUR**

**Noor Mahal Road**, Bahawalpur.  
Tel: PABX: (0621) 882507-8, 880025  
Fax: (0621) 882509

#### **PHOOL NAGAR**

**Main Bazar**, Phool Nagar (Bhai Pheru)  
Lahore Multan Road, Distt. Kasur.  
Tel: PABX (04943) 510431, 510437  
Fax: (04943) 510436

#### **SOUTH REGION**

#### **KARACHI**

**I.I. Chundrigar Road**, Saima Trade Tower,  
P.O. Box 1096, Karachi.  
Tel: PABX: (021) 2630731-3, 2624714, 2628718,  
2624316, 2634610  
Fax: (021) 2631176 Tlx: 27499 ASKRI PK

#### **Kehkashan Clifton**

Marine Trade Centre, Block-9,  
P.O. Box 13807, Karachi.  
Tel: PABX: (021) 5868551-4, 5862868, 5862887  
Fax (021) 5868555, Tlx: 29787 ASKCL PK

#### **Shahrah-e-Faisal, PECHS**

Progressive Square, 11-A,  
Block 6, P.O. Box 12696, Karachi-75400  
Tel: PABX: (021) 4520026-9 4526640-2  
Fax: (021) 4520030, Tlx: 27041 ASKSF-PK

#### **Jodia Bazar**

Kagzi Usman Road, Karachi.  
Tel: PABX: (021) 2410025-9, 2421145-7, 2421148  
Fax: (021) 2421149, Tlx: 27597 ACBJB PK

#### **HYDERABAD**

**Saddar Bazar**  
P.O. Box 470, Hyderabad.  
Tel: PABX: (0221) 783618-20, 783615-6  
Fax: (0221) 783617, Tlx: 22054 ACBL PK

**\* WEST REGION**

**QUETTA**

**M.A. Jinnah Road**, P.O. Box 573, Quetta.

Tel: PABX: (081) 821436, 820508, 821428, 82051

Fax: (081) 824602

**Chiltan Road**, Bolan Complex, Quetta Cantt.

Tel: PABX: (081) 833889, 833228, 833333

Fax: (081) 833316

**CHAMAN**

**Trunch Road**, Chaman.

Tel: PABX: (0826)613330

Fax: (0826) 613331,

Cable: ASKARI BANK

**Universal Access # [City Code]: 111 000 786**

**Website: [www.askaribank.com.pk](http://www.askaribank.com.pk)**

**E-mail: [askari@comsats.net.pk](mailto:askari@comsats.net.pk)**