

Report for the quarter ended March 31, 2013



banking  
forward

## Contents

Corporate Information	1
Directors' Review	2
Condensed Interim Unconsolidated Statement of Financial Position	3
Condensed Interim Profit and Loss Account	4
Condensed Interim Unconsolidated Statement of Comprehensive Income	5
Condensed Interim Unconsolidated Cash Flow Statement	6
Condensed Interim Unconsolidated Statement of Changes in Equity	7
Notes to the Condensed Interim Unconsolidated Financial Information	8
Islamic Banking Business - Statement of Financial Position	20
Islamic Banking Business - Profit and Loss Accounts	21
Condensed Interim Consolidated Statement of Financial Position	23
Condensed Interim Consolidated Profit and Loss Account	24
Condensed Interim Consolidated Statement of Comprehensive Income	25
Condensed Interim Consolidated Cash Flow Statement	26
Condensed Interim Consolidated Statement of Changes in Equity	27
Notes to the Condensed Interim Consolidated Financial Information	28

## Corporate Information

### Board of Directors

Lt. Gen. Javed Iqbal - Chairman  
Lt. Gen. (R) Tahir Mahmood  
Malik Riffat Mahmood  
Mr. Zafar Alam Khan Sumbal  
Dr. Bashir Ahmad Khan  
Mr. Ali Noormahomed Rattansey, FCA  
Mr. Shahid Mahmud  
Mr. Muhammad Riyazul Haque  
Mr. Wazir Ali Khoja  
Mr. Khawaja Jalaluddin Roomi  
Mr. M. R. Mehkari - President & Chief Executive

### Audit Committee

Dr. Bashir Ahmad Khan - Chairman  
Mr. Ali Noormahomed Rattansey, FCA  
Mr. Wazir Ali Khoja  
Khawaja Jalaluddin Roomi

### Chief Financial Officer

Mr. Saleem Anwar, FCA

### Company Secretary

Mr. M. A. Ghazali Marghoob, FCA

### Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

### Legal Advisors

RIAALAW Advocates & Corporate Counsellors

### Shariah Advisor

Dr. Muhammad Tahir Mansoori

### Registered / Head Office

AWT Plaza, The Mall,  
P.O. Box No. 1084, Rawalpindi - 46000, Pakistan.  
Tel: (92 51) 906 3000  
Fax: (92 51) 927 2455  
E-mail: [webmaster@askaribank.com.pk](mailto:webmaster@askaribank.com.pk)

### Registrar & Share Transfer Office

THK Associates (Pvt) Limited  
Ground Floor, State Life Building No. 3,  
Dr. Ziauddin Ahmad Road,  
P.O. Box: 8533, Karachi - 75530  
Tel: (92 21) 111 000 322  
Fax: (92 21) 35655595

### Entity Ratings

Long Term : AA  
Short Term : A1 +  
by Pakistan Credit Rating Agency (PACRA)

### Website

This condensed interim financial information along with contacts of branches / offices can be accessed at the Bank's website: [www.askaribank.com.pk](http://www.askaribank.com.pk)

## Directors' Review

Dear Shareholders

We are pleased to present the un-audited condensed interim unconsolidated financial information for the quarter ended March 31, 2013. The financial results of the quarter are summarized as under:

Quarter ended March 31	Rupees in thousand	
	2013	2012
Profit before tax	424,321	800,644
Taxation	(148,318)	(226,514)
Profit after tax	276,003	574,130
Basic / diluted earning per share - Rupee	0.34	0.71

During the first quarter under review, your Bank's operating profit, i.e. profit before provisions / impairment against non-performing assets and taxation, amounted to Rs. 806 million — a decline of 36.2 percent when compared with the corresponding quarter of last year. This was mainly due to the decline of 7.6 percent in net mark-up income and 17.5 percent in non-mark-up income primarily due to erosion of mark-up based spreads. The aggregate provisions / impairment against non-performing loans and investments charged to current quarter's earnings declined by 17.4 percent compared with the first quarter of 2012, despite accounting for additional provisions which were carried over from 2012 due to certain regulatory relaxations. As a result, current year's first quarter profit before taxation at Rs. 424 million and profit after taxation at Rs. 276 million registered a decline of 47.0 percent and 51.9 percent, respectively, compared with the first quarter of last year.

At the close of March 31, 2013, net advances increased to Rs. 148 billion and investments increased to Rs. 157 billion, increase of 3.1 percent and 7.9 percent, respectively, during the quarter. On the liability side, customer deposits stood at Rs. 296 billion against Rs. 307 billion at year end 2012, a decline of 3.6 percent during the quarter under review. The increase in both non-performing loans (NPLs) and provisions there-against remained around 1.0 percent, thereby maintaining the coverage ratio at 72 percent at March 31, 2013.

Out of the total reserves of the Bank amounting to Rs. 9,549 million as at March 31, 2013, an amount of Rs. 3,026 million (December 31, 2012: Rs. 3,095 million) represents the benefit of forced sale values of eligible collaterals held against non-performing advances, as allowed under State Bank of Pakistan's BSD Circular No. 1 of 2011 dated October 21, 2011 — also referred in note 13.1 of the annexed financial information. Reserves to that extent are not available for payment of cash or stock dividend in terms of above referred circular.

SBP's BSD Circular No. 7 dated April 15, 2009 sets out the minimum paid-up capital requirement (MCR) for banks to be raised to Rs. 10 billion in a phased manner by December 31, 2013. The required MCR (net of losses) as of March 31, 2013 is Rs. 9.0 billion. The paid-up capital of the Bank as of that date amounts to Rs. 8.13 billion, and thus remained short by Rs. 870 million of the prescribed level. As stated in note 1.3 of the annexed financial information, the Bank has been granted relaxation by the SBP from meeting the MCR for the period under review through its letter BPRD/BAID/641/2220/2013 dated February 26, 2013. However, the management of the Bank is committed to meet the MCR in the coming periods.

Our branch network has reached 261, including 34 Islamic Banking branches, 22 sub-branches and a Wholesale Bank Branch in Bahrain. Through this branch network, we are well positioned to offer wide range of products and services to our valued customers.

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.

- sd -  
President & Chief Executive

- sd -  
Chairman

Rawalpindi  
April 22, 2013

## Condensed Interim Unconsolidated Statement of Financial Position

As at March 31, 2013

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012 Restated
(Rupees in thousand)			
<b>Assets</b>			
Cash and balances with treasury banks		22,101,959	24,435,380
Balances with other banks		5,083,599	8,863,586
Lendings to financial institutions		8,422,948	6,319,474
Investments	7	156,840,473	145,378,148
Advances	8	148,115,350	143,726,962
Operating fixed assets	9	8,707,442	8,841,091
Deferred tax assets - net	12	33,992	-
Other assets		14,316,510	15,462,240
		<u>363,622,273</u>	<u>353,026,881</u>
<b>Liabilities</b>			
Bills payable		3,384,752	3,700,156
Borrowings	10	32,345,218	8,372,617
Deposits and other accounts	11	295,984,292	306,937,216
Sub-ordinated loans		5,491,800	6,987,300
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net	12	-	71,229
Other liabilities		6,729,767	7,386,659
		<u>343,935,829</u>	<u>333,455,177</u>
<b>Net Assets</b>		<u>19,686,444</u>	<u>19,571,704</u>
<b>Represented By:</b>			
Share capital		8,130,711	8,130,711
Reserves	13	9,604,493	8,542,421
Unappropriated profit		104,500	887,988
		<u>17,839,704</u>	<u>17,561,120</u>
Surplus on revaluation of assets - net of tax	14	1,846,740	2,010,584
		<u>19,686,444</u>	<u>19,571,704</u>
<b>Contingencies and Commitments</b>	15		

The annexed notes 1 to 20 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2013

	Note	Quarter ended March 31, 2013	Quarter ended March 31, 2012
		(Rupees in thousand)	
<b>Mark-up / return / interest earned</b>		7,286,022	8,541,313
<b>Mark-up / return / interest expensed</b>		5,099,548	6,173,899
Net mark-up / interest income		2,186,474	2,367,414
Provision against non-performing loans and advances - net	8.2.1	214,398	460,794
Impairment loss on available for sale investments		50,708	-
Provision for diminution in the value of investments		116,521	-
Bad debts written off directly		-	1,043
		381,627	461,837
Net mark-up / interest income after provisions		1,804,847	1,905,577
<b>Non mark-up / interest income</b>			
Fee, commission and brokerage income		263,244	254,752
Dividend income		76,725	477,911
Income from dealing in foreign currencies		148,265	215,320
Gain / (Loss) on sale of securities - net	16	244,256	(48,954)
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		-	-
Other income		85,644	93,121
		818,134	992,150
Total non-markup / interest income		2,622,981	2,897,727
<b>Non mark-up / interest expenses</b>			
Administrative expenses		2,198,636	2,097,005
Other provisions / write offs		-	-
Other charges		24	78
Total non-markup / interest expenses		2,198,660	2,097,083
		424,321	800,644
Extra ordinary / unusual items		-	-
<b>Profit before taxation</b>		424,321	800,644
Taxation - current		165,316	247,824
- prior years'		-	-
- deferred		(16,998)	(21,310)
		148,318	226,514
<b>Profit after taxation</b>		276,003	574,130
<b>Basic and diluted earnings per share (Rupee)</b>		0.34	0.71

The annexed notes 1 to 20 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2013

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	(Rupees in '000)	
<b>Profit after taxation</b>	276,003	574,130
<b>Other comprehensive income</b>		
Effect of rescheduled / restructured classified advances	-	(1,809)
Effect of translation of net investment in Wholesale Bank Branch	2,581	1,432
<b>Total comprehensive income</b>	<u>278,584</u>	<u>573,753</u>

The annexed notes 1 to 20 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2013

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit before taxation	424,321	800,644
Less: Dividend income	(76,725)	(477,911)
	<u>347,596</u>	<u>322,733</u>
Adjustments:		
Depreciation	196,782	218,201
Provision against non-performing advances (net)	214,398	460,794
Impairment loss on available for sale investments	50,708	-
Provision for diminution in the value of investments -net	116,521	-
Bad debts written off directly	-	1,043
Net profit on sale of operating fixed assets	(57)	(1,019)
	<u>578,352</u>	<u>679,019</u>
	<u>925,948</u>	<u>1,001,752</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(2,103,474)	(6,215,200)
Held for trading securities	113,980	-
Advances	(4,592,658)	1,740,125
Other assets (excluding advance taxation)	1,045,254	1,685,544
	<u>(5,536,898)</u>	<u>(2,789,531)</u>
(Decrease) / increase in operating liabilities		
Bills payable	(315,404)	679,654
Borrowings	23,972,601	9,309,194
Deposits and other accounts	(10,952,924)	(10,790,794)
Other liabilities (excluding current taxation)	(656,869)	630,527
	<u>12,047,404</u>	<u>(171,419)</u>
Cash flow before tax	<u>7,436,454</u>	<u>(1,959,198)</u>
Income tax paid	<u>(19,259)</u>	<u>(91,468)</u>
Net cash inflow / (outflow) from operating activities	<u>7,417,195</u>	<u>(2,050,666)</u>
<b>Cash flow from investing activities</b>		
Net investments in available for sale securities	(11,927,660)	(3,548,705)
Net investments in held to maturity securities	32,059	161,973
Net investments in subsidiary	(100,000)	-
Dividend income	21,016	309,925
Investments in operating fixed assets - net of adjustment	(65,324)	(119,287)
Sale proceeds of operating fixed assets - disposed off	2,248	5,164
Net cash outflow from investing activities	<u>(12,037,661)</u>	<u>(3,190,930)</u>
<b>Cash flow from financing activities</b>		
Payments of sub-ordinated loans	(1,495,500)	(300)
Dividends paid	(23)	(48)
Net cash outflow from financing activities	<u>(1,495,523)</u>	<u>(348)</u>
Effect of translation of net investment in Wholesale Bank Branch	2,581	1,432
<b>Decrease in cash and cash equivalents</b>	<u>(6,113,408)</u>	<u>(5,240,512)</u>
Cash and cash equivalents at beginning of the period	33,298,966	32,403,236
Cash and cash equivalents at end of the period	<u>27,185,558</u>	<u>27,162,724</u>
<b>Cash and cash equivalents at end of the period</b>		
Cash and balances with treasury banks	22,101,959	21,903,555
Balances with other banks	5,083,599	5,259,169
	<u>27,185,558</u>	<u>27,162,724</u>

The annexed notes 1 to 20 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman



## Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2013

	(Rupees in thousand)							
	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	Capital reserve	Revenue Reserves		Total
						General reserve	Unappropriated profit	
Balance as at January 01, 2012 - as previously reported	7,070,184	75,296	234,669	3,648,445	94,085	4,083,945	1,302,158	16,508,782
Effect of retrospective change in accounting policy with respect to accounting for actuarial losses referred in note -17	-	-	-	-	-	-	(112,634)	(112,634)
Balance as at January 01, 2012 - re-presented	7,070,184	75,296	234,669	3,648,445	94,085	4,083,945	1,189,524	16,396,148
Transfer to General reserve	-	-	-	-	-	1,302,158	(1,302,158)	-
<b>Distribution to owners</b>								
Bonus shares declared / issue subsequent to year ended December 31, 2011	1,060,527	-	-	-	-	(1,060,527)	-	-
<b>Total comprehensive income for the quarter ended March 31, 2012</b>								
Net Profit for the quarter ended March 31, 2012	-	-	-	-	-	-	574,130	574,130
Effect of rescheduled / restructured classified advances	-	-	-	-	(1,809)	-	-	(1,809)
Effect of translation of net investment in Wholesale Bank Branch	-	1,432	-	-	-	-	-	1,432
	-	1,432	-	-	(1,809)	-	574,130	573,753
Transfer to Statutory reserve	-	-	-	114,826	-	-	(114,826)	-
<b>Balance as at March 31, 2012</b>	<b>8,130,711</b>	<b>76,728</b>	<b>234,669</b>	<b>3,763,271</b>	<b>92,276</b>	<b>4,325,576</b>	<b>346,670</b>	<b>16,969,901</b>
<b>Total Comprehensive income for the nine months ended December 31, 2012</b>								
Net Profit for the nine months ended December 31, 2012	-	-	-	-	-	-	677,564	677,564
Effect of rescheduled / restructured classified advances	-	-	-	-	(92,276)	-	-	(92,276)
Effect of translation of net investment in Wholesale Bank Branch	-	5,931	-	-	-	-	-	5,931
	-	5,931	-	-	(92,276)	-	677,564	591,219
Transfer to Statutory reserve	-	-	-	136,246	-	-	(136,246)	-
<b>Balance as at December 31, 2012</b>	<b>8,130,711</b>	<b>82,659</b>	<b>234,669</b>	<b>3,899,517</b>	<b>-</b>	<b>4,325,576</b>	<b>887,988</b>	<b>17,561,120</b>
Transfer to General reserve	-	-	-	-	-	1,004,290	(1,004,290)	-
<b>Total comprehensive income for the quarter ended March 31, 2013</b>								
Net Profit for the quarter ended March 31, 2013	-	-	-	-	-	-	276,003	276,003
Effect of translation of net investment in Wholesale Bank Branch	-	2,581	-	-	-	-	-	2,581
	-	2,581	-	-	-	-	276,003	278,584
Transfer to Statutory reserve	-	-	-	55,201	-	-	(55,201)	-
<b>Balance as at March 31, 2013</b>	<b>8,130,711</b>	<b>85,240</b>	<b>234,669</b>	<b>3,954,718</b>	<b>-</b>	<b>5,329,866</b>	<b>104,500</b>	<b>17,839,704</b>

The annexed notes 1 to 20 and Annexure form an integral part of this condensed interim unconsolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 Askari 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 01, 1992. Army Welfare Trust (AWT) holds 50.57% (December 31, 2012: 50.57%) of the Bank's share capital at the period end. The Bank has 261 branches (December 31, 2012: 261 branches); 260 in Pakistan and Azad Jammu and Kashmir, including 32 (December 31, 2012: 32) Islamic Banking branches, 24 (December 31, 2012: 24) sub-branches and a Wholesale Bank Branch 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.

- 1.2 Army Welfare Trust (AWT), the majority shareholder of the Bank as on the date of statement of financial position, has signed an agreement with Fauji Consortium: Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited for the sale of its entire shareholding in the Bank at a purchase price of Rs. 24.32 per share. The sale and purchase is subject to approval of the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Intimation to this effect was made by the Bank to the Stock Exchanges on February 7, 2013 and February 8, 2013.
- 1.3 SBP's BSD Circular No. 7 dated April 15, 2009 sets out the minimum paid-up capital requirement (MCR) for banks to be raised to Rs. 10 billion in a phased manner by December 31, 2013. The required MCR (net of losses) as of March 31, 2013 was Rs. 9 billion. The paid-up capital of the Bank as of March 31, 2013 amounted to Rs. 8.13 billion, and thus remained short by Rs. 870 million of the prescribed level. The SBP through its letter No. BPRD/BAID/641/2220/2013 dated February 26, 2013 has granted relaxation from meeting the said MCR of Rs. 9 billion till June 30, 2013.

### 2. BASIS OF MEASUREMENT

This condensed interim unconsolidated financial information has been prepared under historical cost convention except that certain fixed assets are stated at revalued amount and certain investments and commitments in respect of certain forward foreign exchange contracts have been marked to market and are carried at fair value and certain staff retirement benefits are carried at present value.

This condensed interim unconsolidated financial information is presented in Pak Rupee which is the Bank's functional and presentation currency.

### 3. STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Bank for the quarter ended March 31, 2013 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of said directives have been followed.

The disclosures made in this condensed interim unconsolidated financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34) and do not include all the information as required in the annual financial statements. Accordingly, this condensed interim unconsolidated financial information should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2012.

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instrument: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40), for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard 7, 'Financial Instruments: Disclosures' (IFRS 7), has not been made applicable for the banks. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2012 in addition to the following:

#### 4.1 Grant

Grants are recognized as income over the periods to match with the related costs on a systematic basis.

#### 4.2 Change in accounting policy - staff retirement benefits

##### Defined Benefit Plans

As per IAS 19 (before 2011 amendment), the Bank chose to recognise actuarial gains / losses in profit and loss account using the corridor method, whereby actuarial gains / losses were recognised when the cumulative unrecognised amount thereof at the beginning of the year exceed the corridor limit, where corridor limit is 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. The net cumulative unrecognised actuarial gains / losses at the beginning of the period in excess of corridor limit was amortized on a straight line basis over the average remaining expected working lives of employees.

Under the amended IAS 19, effective January 01, 2013, actuarial gains / losses are immediately recognised in other comprehensive income and hence corridor method of recognising actuarial gains / losses is no more applicable.

Adoption of the amended IAS 19 amounts to change in accounting policy as per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and effects of retrospective application of this change in accounting policy has been disclosed in note 17.

### 5. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2012.

### 6. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements of the Bank for the year ended December 31, 2012.

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	Rupees in thousand		
7. INVESTMENTS	Held by the Bank	Given as collateral	Total
As at March 31, 2013 - (Un-audited)	<u>132,126,957</u>	<u>24,713,516</u>	<u>156,840,473</u>
As at December 31, 2012 - (Audited)	<u>145,378,148</u>	<u>-</u>	<u>145,378,148</u>

	As at March 31, 2013 (Un-audited)		
7.1 Investments by type	Held by the Bank	Given as collateral	Total
	(Rupees in thousand)		
Held for trading securities	37,865	-	37,865
Available for sale securities	128,542,693	24,713,516	153,256,209
Held to maturity securities	3,576,579	-	3,576,579
Investment in an associated company	53,703	-	53,703
Investments in subsidiary companies	399,789	-	399,789
	<u>132,610,629</u>	<u>24,713,516</u>	<u>157,324,145</u>
Provision for diminution in value of investments	(713,542)	-	(713,542)
Surplus on revaluation of available for sale securities - net	229,870	-	229,870
Investments - net of provision	<u>132,126,957</u>	<u>24,713,516</u>	<u>156,840,473</u>

7.2 Investments include Rs. 2,015,472 thousand (December 31, 2012: Rs. 2,014,475 thousand) which have been placed under non-performing status and the Bank maintains provision of Rs. 619,936 thousand (December 31, 2012: Rs. 503,315 thousand) against non performing investments.

7.3 During the period, the Bank has availed Forced Sale Value (FSV) benefit of Rs. 56,338 thousand (March 31, 2012: Rs. 8,294 thousand) against non-performing investments.

Had the FSV benefit not been recognized, before and after tax profit for the quarter ended would have been lower by Rs. 56,338 thousand (March 31, 2012: Rs. 8,294 thousand) and Rs. 36,620 thousand (March 31, 2012: Rs. 5,391 thousand) respectively.

7.4 The Bank has availed the relaxation of Rs. 624,501 thousand (December 31, 2012: Rs. 809,460 thousand) and Rs. 253,538 thousand (December 31, 2012: Rs. 304,250 thousand) allowed by the SBP for maintaining provisions as per time based criteria of prudential regulations for debt securities and impairment for equity securities respectively.

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

		(Un-audited) March 31, 2013	(Audited) December 31, 2012
		(Rupees in thousand)	
<b>8. ADVANCES</b>			
Loans, cash credits, running finances, etc.	Note		
In Pakistan		142,400,823	137,295,155
Outside Pakistan		3,396,180	3,351,665
		145,797,003	140,646,820
Lease Financing - In Pakistan		4,491,799	4,827,289
Ijarah Financing - In Pakistan		248,109	307,336
Net book value of assets / investments in Ijarah under IFAS 2			
In Pakistan	8.1	491,032	380,311
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		10,729,931	9,967,185
Payable outside Pakistan		5,699,195	6,725,769
		16,429,126	16,692,954
Advances - gross		167,457,069	162,854,710
Provision for non-performing advances	8.2		
Specific provision		(19,016,020)	(18,796,160)
General provision		(131,836)	(127,698)
General provision against consumer loans		(193,863)	(203,890)
		(19,341,719)	(19,127,748)
Advances - net of provision		148,115,350	143,726,962

8.1 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs. 113,824 thousand (December 31, 2012: Rs. 104,905 thousand)

### 8.2 Particulars of provision against non-performing advances

(Rupees in thousand)

	March 31, 2013 - (Un-audited)				December 31, 2012 - (Audited)			
	Specific	General	Consumer Financing-General	Total	Specific	General	Consumer Financing-General	Total
Opening balance	18,796,160	127,698	203,890	19,127,748	16,291,514	132,130	245,046	16,668,690
Transfer from investments	-	-	-	-	22,500	-	-	22,500
Charge for the period / year	390,572	4,298	3	394,873	3,532,354	9,575	332	3,542,261
Reversal for the period / year	(170,285)	(160)	(10,030)	(180,475)	(1,050,208)	(14,007)	(41,488)	(1,105,703)
Net charge / (reversal) for the period / year	220,287	4,138	(10,027)	214,398	2,482,146	(4,432)	(41,156)	2,436,558
Amounts written off	(427)	-	-	(427)	-	-	-	-
Closing balance	19,016,020	131,836	193,863	19,341,719	18,796,160	127,698	203,890	19,127,748

#### 8.2.1 Provision against non-performing advances

Net charge for the period / year - note 8.2  
Reversal of capital reserve

	(Un-audited) March 31, 2013	(Un-audited) March 31, 2012
	(Rupees in thousand)	
	214,398	462,603
	-	(1,809)
	214,398	460,794

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

- 8.3 The SBP amended the Prudential Regulations vide BSD Circular No. 1 of 2011 dated October 21, 2011 in relation to provision for loans and advances, thereby allowing benefit of Forced Sale Value (FSV) of pledged stocks, mortgaged residential, commercial and industrial properties (land and building only) and plant and machinery under charge held as collateral against non-performing advances. The FSV benefit availed in last years has been reduced by Rs. 162,641 thousand (net of FSV benefit availed during the period), which has resulted in increased charge for specific provision for the period ended by the same amount. The FSV benefit is not available for cash or stock dividend. Had the FSV benefit not recognized, before and after tax profit for the period ended would have been higher by Rs. 162,641 thousand (March 31, 2012: lower by Rs. 109,064 thousand) and Rs. 105,717 thousand (March 31, 2012: lower by Rs. 70,892 thousand) respectively.
- 8.4 The Bank has availed the relaxation of Rs. 211,010 thousand (December 31, 2012: Rs. 262,880 thousand) allowed by the SBP for maintaining provisions as per time based criteria of Prudential Regulations.
- 8.5 Advances include Rs. 26,755,520 thousand (December 31, 2012: Rs. 26,518,448 thousand) which have been placed under non-performing status as detailed below:

March 31, 2013 - (Un-audited)					
Category of Classification	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
(Rupees in thousand)					
Other Assets Especially Mentioned - Note 8.5.1	114,927	-	114,927	-	-
Substandard	731,748	-	731,748	116,047	116,047
Doubtful	3,064,293	-	3,064,293	362,100	362,100
Loss	22,844,552	-	22,844,552	18,537,873	18,537,873
	<u>26,755,520</u>	<u>-</u>	<u>26,755,520</u>	<u>19,016,020</u>	<u>19,016,020</u>
December 31, 2012 - (Audited)					
Category of Classification	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
(Rupees in thousand)					
Other Assets Especially Mentioned - Note 8.5.1	127,181	-	127,181	-	-
Substandard	709,386	-	709,386	110,070	110,070
Doubtful	3,015,923	-	3,015,923	307,730	307,730
Loss	22,665,958	-	22,665,958	18,378,360	18,378,360
	<u>26,518,448</u>	<u>-</u>	<u>26,518,448</u>	<u>18,796,160</u>	<u>18,796,160</u>

- 8.5.1 This represents classification made for agricultural finances as per the requirement of the Prudential Regulation for Agricultural Financing issued by the State Bank of Pakistan.

	Note	(Un-audited)	(Audited)
		March 31, 2013	December 31, 2012
		(Rupees in thousand)	
<b>9. OPERATING FIXED ASSETS</b>			
Capital work-in-progress		58,666	43,524
Property and equipment	9.1	<u>7,456,218</u>	<u>7,568,768</u>
Intangibles	9.2	<u>1,192,558</u>	<u>1,228,799</u>
		<u>8,648,776</u>	<u>8,797,567</u>
		<u>8,707,442</u>	<u>8,841,091</u>

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>9.1 Property and equipment</b>		
Book value at beginning of the period / year	7,568,768	8,080,756
Cost of additions during the period / year	50,182	236,194
Book value of deletions / transfers during the period / year	(2,191)	(7,589)
Depreciation charge for the period / year	(160,541)	(719,205)
Book value of adjustments during the period / year	-	(21,388)
Book value at end of the period / year	<u>7,456,218</u>	<u>7,568,768</u>
<b>9.2 Intangibles</b>		
Book value at beginning of the period / year	1,228,799	1,224,730
Cost of additions during the period / year	-	144,162
Depreciation charge for the period / year	(36,241)	(140,093)
Book value at end of the period / year	<u>1,192,558</u>	<u>1,228,799</u>
<b>10. BORROWINGS</b>		
<b>In Pakistan-local currency</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan:		
- Export refinance scheme	6,534,166	7,170,013
- Long term financing of export oriented projects	351,221	400,104
- Long term financing facility	186,528	195,076
- Refinance scheme for revival of agricultural activities in flood affected areas	1,950	2,745
- Refinance scheme for revival of SME activities in flood affected areas	7,500	7,500
	7,081,365	7,775,438
Repo borrowings from financial institutions	24,675,126	-
<b>Unsecured</b>		
- Call Borrowings	500,000	500,000
- Overdrawn balance with other banks	75,749	84,581
	575,749	584,581
<b>Outside Pakistan - foreign currencies</b>	32,332,240	8,360,019
- Overdrawn nostro accounts - unsecured	12,978	12,598
	<u>32,345,218</u>	<u>8,372,617</u>

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
<b>11. DEPOSITS AND OTHER ACCOUNTS</b>		
Customers		
Fixed deposits	72,097,518	75,647,191
Savings deposits	156,311,681	155,646,270
Current accounts - non-remunerative	60,845,366	62,694,946
Special exporters' account	59,041	22,282
Margin accounts	2,253,542	2,316,551
Others	410,192	406,476
Financial institutions		
Remunerative deposits	3,339,598	9,381,065
Non-Remunerative deposits	667,354	822,435
	<u>295,984,292</u>	<u>306,937,216</u>
<b>12. DEFERRED TAX LIABILITIES / (ASSETS) - NET</b>		
Deferred credits / (debits) arising due to:		
Accelerated tax depreciation and amortization	575,825	606,572
Provision against non performing advances		
- excess of 1% of total advances	(585,596)	(651,007)
- classified in sub-standard category	(57,529)	(5,867)
	<u>(67,300)</u>	<u>(50,302)</u>
Surplus on revaluation of available for sale securities	80,455	168,678
Actuarial losses	(47,147)	(47,147)
	<u>33,308</u>	<u>121,531</u>
	<u>(33,992)</u>	<u>71,229</u>

	Exchange translation reserve	Share premium account	Statutory reserve	General reserve	(Un-audited) March 31, 2013	(Audited) December 31, 2013
<b>13. RESERVES</b>						
					(Rupees in thousand)	
Balance at beginning of the period / year - restated	82,659	234,669	3,899,517	4,325,576	8,542,421	8,136,440
Effect of translation of net investment in Wholesale Bank Branch	2,581	-	-	-	2,581	7,363
Transfer from un-appropriated profit	-	-	55,201	1,004,290	1,059,491	1,553,230
Bonus shares issued	-	-	-	-	-	(1,060,527)
Reversal of capital reserves	-	-	-	-	-	(94,085)
Balance at end of the period / year	<u>85,240</u>	<u>234,669</u>	<u>3,954,718</u>	<u>5,329,866</u>	<u>9,604,493</u>	<u>8,542,421</u>

**13.1** As at March 31, 2013, the Bank has availed net of tax benefit of Forced Saled Value (FSV) of Rs. 3,025,747 thousand (December 31, 2012: Rs. 3,094,844 thousand) in respect of pledged stocks, mortgaged residential, commercial, industrial properties (land and building only) and plant and machinery under charge held as collateral against non-performing assets allowed under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

**13.2** Under section 21 of the Banking Companies Ordinance, 1962, every Banking company incorporated in Pakistan is required to transfer not less than 20% of balance of profit to a statutory reserve until the amount in statutory reserve together with amount in share premium account equals to or exceed the paid-up capital of the Bank and thereafter 10% of the balance of profit of the holding company are to be transferred to this reserve.



## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>14. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		
Surplus on revaluation of land	1,697,325	1,697,325
Surplus / (deficit) on revaluation of available for sale investments		
i) Federal Government securities	174,435	781,542
ii) Listed shares	138,371	(34,407)
iii) Units of open end mutual funds	70,836	8,032
iv) Other securities	(153,772)	(273,230)
	229,870	481,937
Less: Related deferred tax	(80,455)	(168,678)
	149,415	313,259
	<u>1,846,740</u>	<u>2,010,584</u>
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Direct credit substitutes</b>		
i) Government	-	-
ii) Others	5,257,130	5,373,983
	<u>5,257,130</u>	<u>5,373,983</u>
<b>15.2 Transaction-related contingent liabilities</b>		
Money for which the Bank is contingently liable:		
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	253,625	233,955
Contingent liability in respect of guarantees given, favouring:		
i) Government	74,289,857	79,212,961
ii) Banks and other financial institutions	849,807	808,020
iii) Others	11,472,031	13,813,083
	86,611,695	93,834,064
	<u>86,865,320</u>	<u>94,068,019</u>
These include guarantees amounting to Rs. 901,381 thousand (December 31, 2012: Rs. 901,381 thousand) against which the Bank is contesting court proceedings and these are not likely to result in any liability against the Bank.		
	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>15.3 Trade-related contingent liabilities</b>	<u>45,297,292</u>	<u>44,442,449</u>
<b>15.4 Other Contingencies</b>		
15.4.1 These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. 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.	<u>616,024</u>	<u>615,701</u>

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

15.4.2 The Bank is contesting a case filed against it and some of its employees in the Sindh High Court for declaration and damages. Based on outside legal advice, the case of declaration is likely to be decided in the Bank's favour. However, in case of award of damages, the potential liability of the Bank is estimated not to be more than Rs. 100 million.

### 15.5 Tax contingencies

For the Tax Years 2005 to 2008, there is a contingent liability of Rs. 681 million on account of amendment to assessments carried out by the Tax Department in the matters of taxation of commission & brokerage income at corporate tax rate instead of final tax regime and allocating financial expenses to exempt income and income taxable at a lower rate. Such issues have however been decided in the Bank's favour by the CIR (A) for the Tax Year 2008 except for the matter of allocation of financial expenses. The Bank's appeals are pending decision by the ATIR with respect to matters not decided in its favour.

### 15.6 Commitments in respect of forward lending

Commitment against "Repo" transactions

Purchase and resale agreements

Sale and repurchase agreements

(Un-audited)	(Audited)
March 31, 2013	December 31, 2012
(Rupees in thousand)	
8,092,812	5,823,130
24,747,568	-

### 15.7 Commitments in respect of forward exchange contracts

Purchase

Sale

27,602,678	13,497,314
18,233,962	8,926,334

The above commitments have maturities falling within one year

### 15.8 Commitments in respect of sale of listed equity securities

Sale

-	138,191
---	---------

### 15.9 Commitments for acquisition of operating fixed assets

123,295	140,070
---------	---------

### 15.10 Commitments to extend credit

The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn except for Rs. 6,495,087 thousand (December 31, 2012: Rs. 6,480,778 thousand).

### 15.11 Other Commitments

This represents participation in the equity of proposed Mortgage

Refinance Company

(Un-audited)	(Audited)
March 31, 2013	December 31, 2012
(Rupees in thousand)	
300,000	300,000

### 15.12 Bills for collection

Payable in Pakistan

Payable outside Pakistan

2,670,137	1,162,798
10,929,488	11,126,400
13,599,625	12,289,198

## 16. GAIN / (LOSS) ON SALE OF SECURITIES - NET

Gain on sale of government securities

Gain / (Loss) on sale of other investments

(Un-audited)	(Un-audited)
March 31, 2013	March 31, 2012
141,363	33,896
102,893	(82,850)
244,256	(48,954)

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

### 17. EFFECTS OF CHANGE IN ACCOUNTING POLICY

#### - STAFF RETIREMENT BENEFITS

The change in accounting policy as disclosed in note 4.2 has been accounted for retrospectively in accordance with International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in adjustment of prior year financial statements.

Effect of retrospective application of change in accounting policy are as follows:

	As at December 31, 2012			
	As previously reported	Effect of Restatement	As Restated	
		(Rupees in thousand)		
<b>17.1 Effect on balance Sheet</b>				
Increase in defined benefit obligation	-	134,705		134,705
Decrease in deferred tax liability - net	118,376	(47,147)		71,229
Decrease in advance taxation	3,674,110	(28,746)		3,645,364
Net decrease in unappropriated profit	1,004,290	(116,302)		887,988
	3 Months ended March 31, 2013	9 Months ended December 31, 2012	3 Months ended March 31, 2012	Prior to January 01, 2012
		(Rupees in thousand)		
<b>17.2 Effect on profit and loss account</b>				
Net increase in profit after tax	-	6,557	-	75,570
Net increase in tax expenses	-	(2,295)	-	(26,450)
	-	4,262		49,121
<b>17.3 Effect on other comprehensive Income</b>				
Amortization of actuarial gains reclassified to other comprehensive income	-	6,557	-	75,570
Net expense recognised in other comprehensive income	-	1,372	-	86,185
	-	7,929		161,755
The effect on earnings per share related to the restatement is as follows:				
		December 31, 2012	December 31, 2011	
Basic and diluted earnings per share - rupee		0.01	0.01	

There is no change in the actuarial assumptions which have been disclosed in note 35.8 to the financial statements for the year ended December 31, 2012.

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

### 18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Sub-Ordinated loans	Total
Rupees in thousand								
<b>For the quarter ended March 31, 2013 - (Un-audited)</b>								
Total income	25,459	87,240	373,649	7,597,915	14,824	5,069	-	8,104,156
Total expenses	6,907	23,668	99,996	7,368,750	4,022	1,375	175,117	7,679,835
Net income / (loss)	18,552	63,572	273,653	229,165	10,802	3,694	(175,117)	424,321
<b>For the quarter ended March 31, 2012 - (Un-audited)</b>								
Total income	21,501	44,815	473,174	8,975,711	13,669	4,593	-	9,533,463
Total expenses	4,729	9,858	106,835	8,365,548	3,007	1,010	241,832	8,732,819
Net income / (loss)	16,772	34,957	366,339	610,163	10,662	3,583	(241,832)	800,644
<b>As at March 31, 2013 - (Un-audited)</b>								
Segment Assets (Gross)	72,420	1,808,785	16,954,863	365,065,725	42,167	14,420	-	383,958,380
Segment Non Performing Loans	-	-	2,918,104	23,837,416	-	-	-	26,755,520
Segment Provision Required	-	-	2,519,647	17,816,460	-	-	-	20,336,107
Segment Liabilities	1,244	31,069	18,919,326	319,259,808	724	248	5,723,410	343,935,829
Segment return on net assets (%)	0.03	0.10	0.42	8.48	0.02	0.01	-	
Segment cost of funds (%)	0.01	0.03	0.12	8.71	0.00	0.00	0.21	
<b>As at December 31, 2012 - (Audited)</b>								
Segment Assets (Gross)	67,809	329,278	14,659,149	357,963,868	27,939	8,035	-	373,056,078
Segment Non Performing Loans	-	-	2,873,636	23,644,812	-	-	-	26,518,448
Segment Provision Required	-	-	2,523,806	17,476,645	-	-	-	20,000,451
Segment Liabilities	1,046	5,081	18,867,165	307,351,015	431	124	7,142,759	333,367,621
Segment return on net assets (%)	0.04	0.10	0.52	9.80	0.02	-	-	
Segment cost of funds (%)	0.01	0.03	0.16	10.06	-	-	0.29	

### 19. RELATED PARTY TRANSACTIONS

Army Welfare Trust (AWT) holds 50.57% (December 31, 2012: 50.57%) of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.

## Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

Details of transactions with related parties during the quarter and balances as at March 31, 2013, are as follows:

	March 31, 2013 (Un-audited)						December 31, 2012 (Audited)					
	Parent	Key Management Personnel	Directors	Companies with common directorship, having equity under 20%	Associated and Subsidiary Companies	Employee Funds	Parent	Key Management Personnel	Directors	Companies with common directorship, having equity under 20%	Associated and Subsidiary Companies	Employee Funds
<b>Balances outstanding as at</b>												
- Advances	-	106,809	-	132	-	-	-	111,092	6,011	145	-	-
- Deposits	11,575,301	21,652	44,757	328,063	46,362	113,891	17,755,898	28,306	39,306	349,635	405,377	52,611
- Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	-	-	-	253,625	-	-	-	-	-	233,955	-	-
- Investment in shares - at cost	-	-	-	1,714,494	453,492	-	-	-	-	1,714,494	353,492	-
- Security deposits against lease	-	-	-	132	-	-	-	-	-	132	-	-
- Investment in TFCs issued by the Bank	-	-	-	-	2,393	-	-	-	-	-	3,659	-
<b>Transactions during the quarter ended</b>												
	March 31, 2013 (Un-audited)						March 31, 2012 (Un-audited)					
- Mark-up / interest earned	-	1,249	43	-	-	-	-	1,597	3,659	5	-	-
- Net mark-up / interest expensed	464,642	471	418	5,826	740	4,277	559,767	588	3,001	7666	1,113	5,141
- Contributions to employees' funds	-	-	-	-	-	35,002	-	-	-	-	-	73,519
- Investment in units of AML funds-at cost	-	-	-	-	-	-	-	-	-	149,991	-	-
- Rent of property / service charges paid	2,531	-	-	16,831	-	-	33,205	-	-	12,545	34	-
- Rent of property / service charges received	18,742	-	-	4,335	5,695	-	16,956	-	-	4,765	5,178	-
- Dividend income received	-	-	-	5,268	-	-	-	-	-	226,964	-	-
- Remuneration paid	-	54,925	-	-	-	-	-	40,677	-	-	-	-
- Post employment benefits	-	4,186	-	-	-	-	-	3,837	-	-	-	-
- Insurance premium paid	-	-	-	-	488	-	-	-	-	-	681	-
- Insurance claims received	-	-	-	-	14	-	-	-	-	-	38	-
- Security services costs	-	-	-	55,835	-	-	-	-	-	53,502	-	-
- Fee, commission and brokerage income	-	-	-	-	6	-	1	-	2	-	4	-
- Fees paid	-	-	1425	-	-	-	-	-	650	-	-	-

## 20. DATE OF AUTHORIZATION

This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on April 22, 2013.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Islamic Banking Business - Statement of Financial Position

As at March 31, 2013

The Bank is operating 34 Islamic banking branches including 2 sub-branches at quarter ended March 31, 2013.

Annexure  
(1 of 2)

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>ASSETS</b>		
Cash and balances with treasury banks	794,451	837,972
Balances with and due from Financial Institutions	342,478	899,960
Investments	10,166,925	10,201,914
Islamic financing and related assets	3,048,367	3,127,541
Operating fixes assets	214,474	216,087
Deferred tax assets	-	-
Other assets	541,251	505,564
<b>Total Assets</b>	<b>15,107,946</b>	<b>15,789,038</b>
<b>LIABILITIES</b>		
Bills payable	163,264	129,735
Due to Financial Institutions	500,000	500,000
Deposits and other accounts		
-Deposits from Financial Institutions - Non-remunerative	2,523	2,304
-Current Accounts	2,917,842	3,105,265
-Saving Accounts	3,432,259	3,582,107
-Term Deposits	5,940,265	6,030,957
-Others	53,575	54,469
-Deposit from Financial Institutions - Remunerative	5,554	1,112,699
Due to Head Office	917,599	156,176
Other liabilities	307,456	312,571
	<b>14,240,337</b>	<b>14,986,283</b>
<b>Net Assets</b>	<b>867,609</b>	<b>802,755</b>
<b>REPRESENTED BY</b>		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Unappropriated / Unremitted loss	(146,948)	(129,324)
	<b>853,052</b>	<b>870,676</b>
Surplus / (deficit) on revaluation of assets	14,557	(67,921)
	<b>867,609</b>	<b>802,755</b>
<b>Remuneration to Shariah Advisor / Board</b>	<b>342</b>	<b>1,347</b>
<b>CHARITY FUND</b>		
Opening Balance	38	213
Additions during the period / year	185	3,111
Payments / Utilization during the period / year	-	(3,286)
Closing Balance	<b>223</b>	<b>38</b>
<b>A-2.1 Islamic Financing and Related Assets</b>		
Islamic modes of financing	3,014,453	3,095,960
Advance against islamic financing	33,914	31,581
Inventories	-	-
	<b>3,048,367</b>	<b>3,127,541</b>
<b>A-2.1.1 Islamic modes of Financing</b>		
Murabaha	370,917	526,565
Ijara	671,934	619,847
Musharaka	-	-
Diminishing Musharaka	1,459,156	1,420,998
Salam	492,726	498,532
Other Islamic Modes	19,720	20,018
	<b>3,014,453</b>	<b>3,095,960</b>

# Islamic Banking Business - Profit and Loss Accounts (Un-audited)

For the quarter ended March 31, 2013

Annexure  
(2 of 2)

	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
Profit / return earned on financings, investments and placements	311,333	396,768
Return on deposits and other dues expensed	182,982	237,275
Net spread earned	128,351	159,493
Provision against non-performing financings	2	(758)
Provision against consumer financings	-	-
Provision for diminution in the value of investments	25,111	-
Bad debts written off directly	-	-
	25,113	(758)
Income after provisions	103,238	160,251
<b>Other Income</b>		
Fee, commission and brokerage Income	5,275	4,978
Dividend income	-	-
Income from dealing in foreign currencies	434	445
Capital gain on sale of securities	-	-
Unrealised gain / (loss) on revaluation of investments classified as held for trading	-	-
Other income	5,760	4,327
Total other income	11,469	9,750
	114,707	170,001
<b>Other expenses</b>		
Administrative expenses	132,331	131,048
Other provisions / write offs	-	-
Other charges	-	-
Total other expenses	132,331	131,048
	(17,624)	38,953
Extra Ordinary / unusual items	-	-
(Loss) / profit before taxation	(17,624)	38,953

**ASKARI BANK LIMITED  
& ITS SUBSIDIARIES**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION (Un-Audited)  
FOR THE QUARTER ENDED MARCH 31, 2013**



## Condensed Interim Consolidated Statement of Financial Position

As at March 31, 2013

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012 Restated
(Rupees in thousand)			
<b>Assets</b>			
Cash and balances with treasury banks		22,102,054	24,435,422
Balances with other banks		5,086,844	8,865,303
Lendings to financial institutions		8,444,948	6,341,474
Investments	7	156,826,868	145,354,253
Advances	8	148,116,201	143,727,835
Operating fixed assets	9	8,767,328	8,901,522
Deferred tax assets - net	12	69,229	-
Other assets		14,413,189	15,556,719
		<u>363,826,661</u>	<u>353,182,528</u>
<b>Liabilities</b>			
Bills payable		3,384,752	3,700,156
Borrowings	10	32,345,218	8,376,740
Deposits and other accounts	11	295,982,031	306,929,729
Sub-ordinated loans		5,491,800	6,987,300
Liabilities against assets subject to finance lease		908	1,018
Deferred tax liabilities - net	12	-	35,992
Other liabilities		6,793,331	7,440,514
		<u>343,998,040</u>	<u>333,471,449</u>
<b>Net Assets</b>		<u>19,828,621</u>	<u>19,711,079</u>
<b>Represented By:</b>			
Share capital		8,130,712	8,130,711
Reserves	13	9,603,847	8,541,776
Unappropriated profit		217,465	998,567
		<u>17,952,024</u>	<u>17,671,054</u>
Non-controlling interest		29,857	29,441
		<u>17,981,881</u>	<u>17,700,495</u>
Surplus on revaluation of assets - net of tax	14	1,846,740	2,010,584
		<u>19,828,621</u>	<u>19,711,079</u>
<b>Contingencies and Commitments</b>	15		

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2013

	Note	Quarter ended March 31, 2013	Quarter ended March 31, 2012
		(Rupees in thousand)	
<b>Mark-up / return / interest earned</b>		7,286,464	8,541,875
<b>Mark-up / return / interest expensed</b>		5,099,542	6,174,119
Net mark-up / interest income		2,186,922	2,367,756
Provision against non-performing loans and advances - net	8.2.1	214,398	460,794
Impairment loss on available for sale investments		50,708	-
Provision for diminution in the value of investments - net		116,521	-
Bad debts written off directly		-	1,043
		381,627	461,837
Net mark-up / interest income after provisions		1,805,295	1,905,919
<b>Non mark-up / interest income</b>			
Fee, commission and brokerage income		268,068	304,237
Dividend income		76,725	477,911
Income from dealing in foreign currencies		148,265	215,320
Gain / (loss) on sale of securities - net	16	245,557	(47,471)
Unrealised gain on revaluation of investments classified as held for trading - net		1,191	437
Other income		113,115	100,608
		852,921	1,051,042
Total non-markup / interest income		2,658,216	2,956,961
<b>Non mark-up / interest expenses</b>			
Administrative expenses		2,234,046	2,145,225
Other provisions / write offs		-	-
Other charges		2,108	78
Total non-markup / interest expenses		2,236,154	2,145,303
		422,062	811,658
Share of profit of associate		5,362	5,448
Extra ordinary / unusual items		-	-
<b>Profit before taxation</b>		427,424	817,106
Taxation - current		165,617	248,613
- prior years'		-	-
- deferred		(16,998)	(19,539)
		148,619	229,074
<b>Profit after taxation</b>		278,805	588,032
Attributable to:			
Equity holders of the Bank		278,389	586,926
Non-controlling interest		416	1,106
		278,805	588,032

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -	- sd -	- sd -	- sd -
President & Chief Executive	Director	Director	Chairman

## Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2013

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	(Rupees in thousand)	
<b>Profit after taxation</b>	278,805	588,032
<b>Other comprehensive income</b>		
Effect of rescheduled / restructured classified advances	-	(1,809)
Effect of translation of net investment in Wholesale Bank Branch	2,581	1,432
<b>Total comprehensive income</b>	<u>281,386</u>	<u>587,655</u>
Attributable to:		
Equity holders of the Bank	280,970	586,549
Non-controlling interest	416	1,106
	<u>281,386</u>	<u>587,655</u>

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2013

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
	(Rupees in thousand)	
<b>Cash flow from operating activities</b>		
Profit before taxation	427,424	817,106
Less: Dividend income	(76,725)	(477,911)
	350,699	339,195
Adjustments:		
Depreciation	199,845	222,989
Provision against non-performing advances - net	214,398	460,794
Impairment loss on available for sale investments	50,708	-
Provision for diminution in the value of investments - net	116,521	-
Unrealised gain on revaluation of investments classified as held for trading - net	(1,191)	(437)
Net profit on sale of operating fixed assets	(57)	(1,019)
Finance charges on leased assets	-	54
Share of profit of associate	(5,362)	(5,448)
	574,862	676,933
	925,561	1,016,128
(Increase) / decrease in operating assets		
Lendings to financial institutions	(2,103,474)	(6,215,200)
Held for trading securities	9,257	9,364
Advances	(4,592,636)	1,740,800
Other assets (excluding advance taxation)	1,043,054	1,655,592
	(5,643,799)	(2,809,444)
(Decrease) / increase in operating liabilities		
Bills payable	(315,404)	679,654
Borrowings	23,968,478	9,318,072
Deposits and other accounts	(10,947,698)	(10,789,276)
Other liabilities (excluding current taxation)	(647,160)	641,305
	12,058,216	(150,245)
Cash flow before tax	7,339,978	(1,943,561)
Income tax paid	(19,560)	(92,007)
Net cash inflow / (outflow) from operating activities	7,320,418	(2,035,568)
<b>Cash flow from investing activities</b>		
Net investments in available for sale securities	(11,926,674)	(3,552,603)
Net investments in held to maturity securities	32,059	161,973
Net investments in associate	-	-
Dividend income	21,016	309,925
Investments in operating fixed assets	(67,842)	(130,622)
Sale proceeds of operating fixed assets	2,248	5,164
Net cash outflow from investing activities	(11,939,193)	(3,206,163)
<b>Cash flow from financing activities</b>		
Payments of sub-ordinated loans	(1,495,500)	(300)
Payment of lease obligations	(110)	(401)
Dividends paid	(23)	(48)
Net cash outflow from financing activities	(1,495,633)	(749)
Effect of translation of net investment in Wholesale Bank Branch	2,581	1,432
<b>Decrease in cash and cash equivalents</b>	(6,111,827)	(5,241,048)
Cash and cash equivalents at beginning of the period	33,322,725	32,426,322
Cash and cash equivalents at end of the period	27,210,898	27,185,274
<b>Cash and cash equivalents at end of the period</b>		
Cash and balances with treasury banks	22,102,054	21,903,595
Balances with other banks	5,086,844	5,259,679
Term deposits with MCB Bank	22,000	22,000
	27,210,898	27,185,274

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2013

	(Rupees in thousand)								
	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	Capital reserve	Revenue Reserves		Non-controlling interest	Total
						General reserve	Unappropriated profit	Sub-Total	
<b>Balance as at January 01, 2012 - as previously reported</b>	7,070,184	75,296	234,669	3,648,445	94,085	4,083,300	1,380,018	16,585,997	28,377
Effect of retrospective change in accounting policy with respect to accounting for actuarial losses referred in note - 17	-	-	-	-	-	-	(112,634)	(112,634)	-
<b>Balance as at January 01, 2012 - re-presented</b>	7,070,184	75,296	234,669	3,648,445	94,085	4,083,300	1,267,384	16,473,363	28,377
Transfer to General reserve	-	-	-	-	-	1,302,158	(1,302,158)	-	-
<b>Distribution to owners</b>									
Bonus shares declared / issued subsequent to year ended December 31, 2011	1,060,528	-	-	-	-	(1,060,528)	-	-	-
<b>Total comprehensive income for the quarter ended March 31, 2012</b>									
Net profit for the quarter ended March 31, 2012	-	-	-	-	-	-	587,016	587,016	1,106
Effect of rescheduled / restructured classified advances	-	-	-	-	(1,809)	-	-	(1,809)	-
Effect of translation of net investment in Wholesale Bank Branch	-	1,432	-	-	-	-	-	1,432	1,432
	-	1,432	-	-	(1,809)	-	587,016	586,639	1,106
Transfer to Statutory reserve	-	-	-	114,826	-	-	(114,826)	-	-
<b>Balance as at March 31, 2012</b>	8,130,712	76,728	234,669	3,763,271	92,276	4,324,930	437,416	17,060,002	29,483
<b>Total comprehensive income for the nine months ended December 31, 2012</b>									
Net profit for the nine months ended December 31, 2012	-	-	-	-	-	-	697,397	697,397	(42)
Effect of rescheduled / restructured classified advances	-	-	-	-	(92,276)	-	-	(92,276)	-
Effect of translation of net investment in Wholesale Bank Branch	-	5,931	-	-	-	-	-	5,931	-
	-	5,931	-	-	(92,276)	-	697,397	611,052	(42)
Transfer to Statutory reserve	-	-	-	136,246	-	-	(136,246)	-	-
<b>Balance as at December 31, 2012</b>	8,130,712	82,659	234,669	3,899,517	-	4,324,930	998,567	17,671,054	29,441
Transferred to General reserve	-	-	-	-	-	1,004,290	(1,004,290)	-	-
<b>Total comprehensive income for the quarter ended March 31, 2013</b>									
Net profit for the quarter ended March 31, 2013	-	-	-	-	-	-	278,389	278,389	416
Effect of translation of net investment in Wholesale Bank Branch	-	2,581	-	-	-	-	-	2,581	-
	-	2,581	-	-	-	-	278,389	280,970	416
Transfer to Statutory reserve	-	-	-	55,201	-	-	(55,201)	-	-
<b>Balance as at March 31, 2013</b>	8,130,712	85,240	234,669	3,954,718	-	5,329,220	217,465	17,952,024	29,857

The annexed notes 1 to 20 form an integral part of this condensed interim consolidated financial information.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 The Group consists of Askari Bank Limited, the holding company, Askari Investment Management Limited, a wholly owned subsidiary company and Askari Securities Limited, a partly owned subsidiary company.

Askari 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 01, 1992. Army Welfare Trust (AWT) holds 50.57% (December 31, 2012: 50.57%) of the Bank's share capital at the period end. The Bank has 261 branches (December 31, 2012: 261 branches); 244 in Pakistan and Azad Jammu and Kashmir, including 32 (December 31, 2012: 32) Islamic Banking branches, 24 (December 31, 2012: 24) sub-branches and a Wholesale Bank Branch 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.

Askari Investment Management Limited (AIML) was incorporated in Pakistan on May 30, 2005 as public limited company. AIML is Non-Banking Finance Company (NBFC), under license by the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management and investment advisory services under the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC & NE Regulations). The License was obtained on September 21, 2005. AIML is wholly owned subsidiary of the Bank with its registered office in Islamabad. AIML obtained its certificate of commencement of business on September 22, 2005.

Askari Securities Limited (ASL) was incorporated in Pakistan on October 01, 1999 under the Companies Ordinance, 1984 as a public limited company and obtained corporate membership of the Islamabad Stock Exchange on December 24, 1999. The Bank acquired 74% ordinary shares of ASL on October 1, 2007. The Principal activity includes share brokerage, investment advisory and consultancy services. The registered office of the company is situated at AWT Plaza, The Mall, Rawalpindi.

The financial statements of AIML and ASL have been consolidated based on their un-audited financial statements for the quarter ended March 31, 2013.

- 1.2 Army Welfare Trust (AWT), the majority shareholder of the Bank as on the date of statement of financial position, has signed an agreement with Fauji Consortium: Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited for the sale of its entire shareholding in the Bank at a purchase price of Rs. 24.32 per share. The sale and purchase is subject to approval of the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Intimation to this effect was made by the Bank to the Stock Exchanges on February 7, 2013 and February 8, 2013.
- 1.3 SBP's BSD Circular No. 7 dated April 15, 2009 sets out the minimum paid-up capital requirement (MCR) for banks to be raised to Rs. 10 billion in a phased manner by December 31, 2013. The required MCR (net of losses) as of March 31, 2013 was Rs. 9 billion. The paid-up capital of the Bank as of March 31, 2013 amounted to Rs. 8.13 billion, and thus remained short by Rs. 870 million of the prescribed level. The SBP through its letter No. BPRD/BAID/641/2220/2013 dated February 26, 2013 has granted relaxation from meeting the said MCR of Rs. 9 billion till June 30, 2013.

### 2. BASIS OF MEASUREMENT

This condensed interim consolidated financial information has been prepared under historical cost convention except that certain fixed assets are stated at revalued amount and certain investments and commitments in respect of certain forward foreign exchange contracts have been marked to market and are carried at fair value and certain staff retirement benefits are carried at present value.

This condensed interim consolidated financial information is presented in Pak Rupee which is the Bank's functional and presentation currency.

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

### 3. STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information of the Group for the quarter ended March 31, 2013 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of said directives have been followed.

The disclosures made in this condensed interim consolidated financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' (IAS 34) and do not include all the information as required in the annual financial statements. Accordingly, this condensed interim consolidated financial information should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2012.

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instrument: Recognition and Measurement' (IAS 39) and International Accounting Standard 40, 'Investment Property' (IAS 40), for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the International Financial Reporting Standard 7, 'Financial Instruments: Disclosures' (IFRS 7), has not been made applicable for the banks. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2012 in addition to the following:

#### 4.1 Grant

Grants are recognized as income over the periods to match with the related costs on a systematic basis.

#### 4.2 Change in accounting policy - staff retirement benefits

##### Defined benefit plans

As per IAS 19 (before 2011 amendment), the Group chose to recognise actuarial gains/losses in profit and loss account using the corridor method, whereby actuarial gains/losses were recognised when the cumulative unrecognised amount thereof at the beginning of the year exceed the corridor limit, where corridor limit is 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets. The net cumulative unrecognised actuarial gains/losses at the beginning of the period in excess of corridor limit was amortized on a straight line basis over the average remaining expected working lives of employees.

Under the amended IAS 19, effective January 01, 2013, actuarial gains/losses are immediately recognised in other comprehensive income and hence corridor method of recognising actuarial gains/losses is no more applicable.

Adoption of the amended IAS 19 amounts to change in accounting policy as per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and effects of retrospective application of this change in accounting policy has been disclosed in note 17.

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

### 5. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2012.

### 6. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements of the Group for the year ended December 31, 2012.

	(Rupees in thousand)		
7. INVESTMENTS	Held by the Bank	Given as collateral	Total
As at March 31, 2013 - (Un-audited)	<u>132,113,352</u>	<u>24,713,516</u>	<u>156,826,868</u>
As at December 31, 2012 - (Audited)	<u>145,354,253</u>	<u>-</u>	<u>145,354,253</u>

	(Rupees in thousand)		
	As at March 31, 2013 (Un-audited)		
7.1 Investments by type	Held by the Bank	Given as collateral	Total
Held for trading securities	198,618	-	198,618
Available for sale securities	128,594,766	24,713,516	153,308,282
Held to maturity securities	3,576,579	-	3,576,579
Investment in an associated company	137,843	-	137,843
	<u>132,507,806</u>	<u>24,713,516</u>	<u>157,221,322</u>
Provision for diminution in value of investments	(625,515)	-	(625,515)
Unrealised gain on revaluation of investments classified as held for trading - net	1,191	-	1,191
Surplus on revaluation of available for sale securities - net	229,870	-	229,870
Investments - net of provision	<u>132,113,352</u>	<u>24,713,516</u>	<u>156,826,868</u>

7.2 Investments include Rs. 2,015,472 thousand (December 31, 2012: Rs. 2,014,475 thousand) which have been placed under non-performing status and the Group maintains provision of Rs. 619,936 thousand (December 31, 2012: Rs. 503,315 thousand) against non performing investments.

7.3 During the year, the Group has availed Forced Sale Value (FSV) benefit of Rs. 56,338 thousand (December 31, 2012: Rs. 7,575 thousand) against non-performing investments.

Had the FSV benefit not been recognized, before and after tax profit for the quarter ended would have been lower by Rs. 56,338 thousand (March 31, 2012: Rs. 8,294 thousand) and Rs. 36,620 thousand (March 31, 2012: Rs. 5,391 thousand) respectively.

7.4 The Group has availed the relaxation of Rs. 624,501 thousand (December 31, 2012: Rs. 809,460 thousand) and Rs. 253,538 thousand (December 31, 2012: Rs. 304,250 thousand) allowed by the SBP for maintaining provisions as per time based criteria of prudential regulations for debt securities and impairment for equity securities respectively.



## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>8. ADVANCES</b>		
Loans, cash credits, running finances, etc.		
In Pakistan	142,401,674	137,296,028
Outside Pakistan	3,396,180	3,351,665
	145,797,854	140,647,693
Lease Financing - In Pakistan	4,491,799	4,827,289
Ijarah Financing - In Pakistan	248,109	307,336
Net book value of assets / investments in Ijarah under IFAS 2		
In Pakistan - note - 8.1	491,032	380,311
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	10,729,931	9,967,185
Payable outside Pakistan	5,699,195	6,725,769
	16,429,126	16,692,954
Advances - Gross	167,457,920	162,855,583
Provision for non-performing advances - note - 8.2		
Specific provision	(19,016,020)	(18,796,160)
General provision	(131,836)	(127,698)
General provision against consumer loans	(193,863)	(203,890)
	(19,341,719)	(19,127,748)
Advances - net of provision	148,116,201	143,727,835

8.1 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs. 113,824 thousand (December 31, 2012: Rs. 104,905 thousand)

### 8.2 Particulars of provision against non-performing advances

	March 31, 2013 - (Un-audited)				December 31, 2012 - Audited			
	Specific	General	Consumer Financing-General	Total	Specific	General	Consumer Financing-General	Total
	(Rupees in thousand)				(Rupees in thousand)			
Opening balance	18,796,160	127,698	203,890	19,127,748	16,291,514	132,130	245,046	16,668,690
Transfer from investments	-	-	-	-	22,500	-	-	22,500
Charge for the period / year	390,572	4,298	3	394,873	3,532,354	9,575	332	3,542,261
Reversal for the period / year	(170,285)	(160)	(10,030)	(180,475)	(1,050,208)	(14,007)	(41,488)	(1,105,703)
Net charge / (reversal) for the period / year	220,287	4,138	(10,027)	214,398	2,482,146	(4,432)	(41,156)	2,436,558
Amounts written off	(427)	-	-	(427)	-	-	-	-
Closing balance	19,016,020	131,836	193,863	19,341,719	18,796,160	127,698	203,890	19,127,748

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>8.2.1 Provision against non-performing advances</b>		
Net charge for the period / year - note 8.2	214,398	462,603
Reversal of capital reserve	-	(1,809)
	214,398	460,794

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

- 8.3 The SBP amended the Prudential Regulations vide BSD Circular No. 1 of 2011 dated October 21, 2011 in relation to provision for loans and advances, thereby allowing benefit of Forced Sale Value (FSV) of pledged stocks, mortgaged residential, commercial and industrial properties (land and building only) and plant and machinery under charge held as collateral against non-performing advances. The FSV benefit availed in last years has been reduced by Rs. 596,999 thousand (net of FSV benefit availed during the year), which has resulted in increased charge for specific provision for the period ended by the same amount. The FSV benefit is not available for cash or stock dividend. Had the FSV benefit not recognized, before and after tax profit for the period ended would have been higher by Rs. 162,641 thousand (March 31, 2012: lower by Rs. 109,064 thousand) and Rs. 105,717 thousand (March 31, 2012: lower by Rs. 70,892 thousand) respectively.
- 8.4 The Group has availed the relaxation of Rs. 211,010 thousand (December 31, 2012: Rs. 262,880 thousand) allowed by the SBP for maintaining provisions as per time based criteria of Prudential Regulations.
- 8.5 Advances include Rs. 26,755,520 thousand (December 31, 2012: Rs. 26,518,448 thousand) which have been placed under non-performing status as detailed below:

March 31, 2013 - (Un-audited)					
Category of Classification	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
(Rupees in thousand)					
Other Assets Especially Mentioned - note 8.5.1	114,927	-	114,927	-	-
Substandard	731,748	-	731,748	116,047	116,047
Doubtful	3,064,293	-	3,064,293	362,100	362,100
Loss	22,844,552	-	22,844,552	18,537,873	18,537,873
	<u>26,755,520</u>	<u>-</u>	<u>26,755,520</u>	<u>19,016,020</u>	<u>19,016,020</u>
December 31, 2012 - (Audited)					
Category of Classification	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
(Rupees in thousand)					
Other Assets Especially Mentioned - note 8.5.1	127,181	-	127,181	-	-
Substandard	709,386	-	709,386	110,070	110,070
Doubtful	3,015,923	-	3,015,923	307,730	307,730
Loss	22,665,958	-	22,665,958	18,378,360	18,378,360
	<u>26,518,448</u>	<u>-</u>	<u>26,518,448</u>	<u>18,796,160</u>	<u>18,796,160</u>

- 8.5.1 This represents classification made for agricultural finances as per the requirement of the Prudential Regulation for Agricultural Financing issued by the State Bank of Pakistan.

	(Un-audited)	(Audited)
	March 31, 2013	December 31, 2012
	(Rupees in thousand)	
9. OPERATING FIXED ASSETS		
Capital work in progress	58,666	43,524
Property and equipment - note 9.1	<u>7,497,975</u>	<u>7,610,632</u>
Intangibles - note 9.2	<u>1,210,687</u>	<u>1,247,366</u>
	<u>8,708,662</u>	<u>8,857,998</u>
	<u>8,767,328</u>	<u>8,901,522</u>

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>9.1 Property and equipment</b>		
Book value at beginning of the period / year	7,610,632	8,115,106
Cost of additions during the period / year	52,700	262,146
Book value of deletions / transfers during the period / year	(2,191)	(11,150)
Depreciation charge for the period / year	(163,166)	(734,082)
Book value of adjustments	-	(21,388)
Book value at end of the period / year	<u>7,497,975</u>	<u>7,610,632</u>
<b>9.2 Intangibles</b>		
Book value at beginning of the period / year	1,247,366	1,283,979
Cost of additions during the period / year	-	149,346
Book value of deletions / transfers during the period / year	-	(44,579)
Depreciation charge for the period / year	(36,679)	(141,380)
Book value at end of the period / year	<u>1,210,687</u>	<u>1,247,366</u>
<b>10. BORROWINGS</b>		
<b>In Pakistan - local currency</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan:		
- Export refinance scheme	6,534,166	7,170,013
- Long term financing of export oriented projects	351,221	400,104
- Long term financing facility	186,528	195,076
- Refinance scheme for revival of agricultural activities in flood affected area	1,950	2,745
- Refinance scheme for revival of SME activities in flood affected area	7,500	7,500
	7,081,365	7,775,438
Repo borrowings from financial institutions		
Repo Borrowings	24,675,126	-
Others	-	4,123
	<u>31,756,491</u>	<u>7,779,561</u>
<b>Unsecured</b>		
Call borrowings	500,000	500,000
Overdrawn balance with other banks	75,749	84,581
	<u>575,749</u>	<u>584,581</u>
	<u>32,332,240</u>	<u>8,364,142</u>
<b>Outside Pakistan - foreign currencies</b>		
- Overdrawn nostro accounts - unsecured	12,978	12,598
	<u>32,345,218</u>	<u>8,376,740</u>
<b>11. DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	72,097,518	75,647,191
Savings deposits	156,309,420	155,646,270
Current accounts - non-remunerative	60,845,366	62,694,946
Special exporters' account	59,041	22,282
Margin accounts	2,253,542	2,316,551
Others	410,192	398,989
<b>Financial institutions</b>		
Remunerative deposits	3,339,598	9,381,065
Non-Remunerative deposits	667,354	822,435
	<u>295,982,031</u>	<u>306,929,729</u>

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	(Un-audited) March 31, 2013 (Rupees in thousand)	(Audited) December 31, 2012
<b>12. DEFERRED TAX LIABILITIES / (ASSETS) - NET</b>		
Deferred credits / (debits) arising due to:		
Accelerated tax depreciation	576,531	610,110
Assets subject to finance lease	(356)	(356)
Provision for staff benefits	(350)	(350)
Provision against non performing advances		
- excess of 1% of total advances	(585,596)	(651,007)
- classified in sub-standard category	(57,529)	(5,867)
Unused tax lossess	(35,237)	(38,069)
	(102,537)	(85,539)
Surplus on revaluation of available for sale securities	80,455	168,678
Actuarial losses	(47,147)	(47,147)
	33,308	121,531
	(69,229)	35,992

	Exchange translation reserve	Share premium account	Statutory reserve	General reserve	(Un-audited) March 31, 2013	(Audited) December 31, 2012
					(Rupees in thousand)	
Balance at beginning of the period / year - restated	82,659	234,669	3,899,517	4,324,930	8,541,776	8,135,795
Effect of translation of net investment in Wholesale Bank Branch	2,581	-	-	-	2,581	7,363
Transfer from un-appropriated profit	-	-	55,201	1,004,290	1,059,491	1,553,230
Bonus shares issued	-	-	-	-	-	(1,060,527)
Reversal of capital reserve	-	-	-	-	-	(94,085)
Balance at end of the period / year	85,240	234,669	3,954,718	5,329,220	9,603,847	8,541,776

**13.1** As at March 31, 2013, the Group has availed net of tax benefit of Forced Saled Value (FSV) of Rs. 3,025,747 thousand (December 31, 2012: Rs. 3,094,844 thousand) in respect of pledged stocks, mortgaged residential, commercial, industrial properties (land and building only) and plant and machinery under charge held as collateral against non-performing assets allowed under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated

**13.2** Under section 21 of the Banking Companies Ordinance, 1962, every Banking company incorporated in Pakistan is required to transfer not less than 20% of balance of profit to a statutory reserve until the amount in statutory reserve together with amount in share premium account equals to or exceed the paid-up capital of the Bank and thereafter 10% of the balance of profit of the holding company are to be transferred to this reserve.

	(Un-audited) March 31, 2013 (Rupees in thousand)	(Audited) December 31, 2012
<b>14. SURPLUS ON REVALUATION OF ASSETS</b>		
Surplus on revaluation of land	1,697,325	1,697,325
Surplus / (deficit) on revaluation of available for sale investments		
i) Federal Government securities	174,435	781,542
ii) Listed shares	138,371	(34,407)
iii) Units of open end mutual funds	70,836	8,032
iv) Other securities	(153,772)	(273,230)
	229,870	481,937
Less: Related deferred tax	(80,455)	(168,678)
	149,415	313,259
	1,846,740	2,010,584

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Direct credit substitutes</b>		
i) Government	-	-
ii) Others	5,257,130	5,373,983
	<u>5,257,130</u>	<u>5,373,983</u>
<b>15.2 Transaction-related contingent liabilities</b>		
Money for which the Group is contingently liable:		
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.	253,625	233,955
Contingent liability in respect of guarantees given, favouring:		
i) Government	74,289,857	79,212,961
ii) Banks and other financial institutions	849,807	808,020
iii) Others	11,472,031	13,813,083
	<u>86,611,695</u>	<u>93,834,064</u>
	<u>86,865,320</u>	<u>94,068,019</u>

These include guarantees amounting to Rs. 901,381 thousand (December 31, 2012: Rs. 901,381 thousand) against which the Bank is contesting court proceedings and these are not likely to result in any liability against the Bank.

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>15.3 Trade-related contingent liabilities</b>	<u>45,297,292</u>	<u>44,442,449</u>

### 15.4 Other Contingencies

15.4.1 These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. 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.

	<u>616,024</u>	<u>615,701</u>
--	----------------	----------------

15.4.2 The Bank is contesting a case filed against it and some of its employees in the Sindh High Court for declaration and damages. Based on outside legal advice, the case of declaration is likely to be decided in the Bank's favour. However, in case of award of damages, the potential liability of the Bank is estimated not to be more than Rs. 100 million.

### 15.5 Tax contingencies

(i) For the Tax Years 2005 to 2008, there is a contingent liability of Rs. 681 million on account of amendment to assessments carried out by the Tax Department in the matters of taxation of commission & brokerage income at corporate tax rate instead of final tax regime and allocating financial expenses to exempt income and income taxable at a lower rate. Such issues have however been decided in the Bank's favour by the CIR (A) for the Tax Year 2008 except for the matter of allocation of financial expenses. The Bank's appeals are pending decision by the ATIR with respect to matters not decided in its favour.

(ii) Income tax demand of Rs. 9,565 thousand, not acknowledged as debt, has been challenged by ASL and are currently in appeal; ASL expects favourable outcome of appeal.

(iii) Group's share of income tax demand of Rs. 1,794 thousand, not acknowledged as debt, has been challenged by AGICO and are currently in appeal; AGICO expects favourable outcome of appeal.

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>15.6 Commitments in respect of forward lending</b>		
Commitment against "Repo" transactions		
Purchase and resale agreements	8,092,812	5,832,130
Sale and repurchase agreements	24,747,568	-
<b>15.7 Commitments in respect of forward exchange contracts</b>		
Purchase	27,602,678	13,497,314
Sale	18,233,962	8,926,334
<b>15.8 Commitments for acquisition of operating fixed assets</b>	162,675	140,070
<b>15.9 Commitments in respect of forward sale of listed equity securities</b>		
Sale	-	157,880

### 15.10 Commitments to extend credit

The Group makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn except for Rs. 6,495,087 thousand (December 31, 2012: Rs. 6,480,778 thousand).

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in thousand)	
<b>15.11 Other commitments</b>		
This represents participation in the equity of proposed Mortgage Refinance Company.	300,000	300,000

### 15.12 Bills for collection

Payable in Pakistan	2,670,137	1,162,798
Payable outside Pakistan	10,929,488	11,126,400
	13,599,625	12,289,198

	(Un-audited) March 31, 2013	(Un-audited) March 31, 2012
	(Rupees in thousand)	
<b>16. GAIN / (LOSS) ON SALE OF SECURITIES - NET</b>		
Gain on sale of government securities	141,363	33,896
Gain / (loss) on sale of other investments	104,194	(81,367)
	245,557	(47,471)

### 17. EFFECTS OF CHANGE IN ACCOUNTING POLICY

#### - STAFF RETIREMENT BENEFITS

The change in accounting policy as disclosed in note 4.2 has been accounted for retrospectively in accordance with International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in adjustment of prior year financial statements.

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

Effect of retrospective application of change in accounting policy are as follows:

	As at December 31, 2012		
	As previously reported	Effect of Restatement	As Restated
<b>17.1 Effect on Balance Sheet</b>		(Rupees in thousand)	
Increase in defined benefit obligation	9,475	134,705	144,180
Decrease in deferred tax liability - net	83,139	(47,147)	35,992
Decrease in advance taxation	3,693,655	(28,746)	3,664,909
Net decrease in unappropriated profit	1,114,869	(116,302)	998,567
	3 Months ended March 31, 2013	9 Months ended December 31, 2012	3 Months ended March 31, 2012
			Prior to January 01, 2012
<b>17.2 Effect on profit and loss account</b>		(Rupees in thousand)	
Net increase in profit after tax	-	6,557	-
Net increase in tax expenses	-	(2,295)	-
	-	4,262	49,120
<b>17.3 Effect on other comprehensive Income</b>			
Amortization of actuarial gains reclassified to other comprehensive income	-	6,557	-
Net expense recognised in other comprehensive income	-	1,372	-
	-	7,929	86,185

The effect on earnings per share related to the restatement is as follows:

	December 31, 2012	December 31, 2011
Basic and diluted earnings per share - Rupee	0.01	0.01

### 17.4 Staff retirement benefits

Changes in defined benefit obligation, fair value of plan assets are as follows:

(Rupees in thousand)	January 01, 2012	Current service cost	Interest cost	Expected return on plan assets	Benefits paid	Actuarial losses recognised in other comprehensive income	Contribution by the employer	December 31, 2012
Defined benefit obligation	1,001,255	164,341	125,060	-	(86,204)	15,101	-	1,219,553
Fair value of plan assets	(866,311)	-	-	(105,532)	86,204	(6,030)	(183,704)	(1,075,373)
Defined benefit liability	134,944	164,341	125,060	(105,532)	-	9,071	(183,704)	144,180

There is no change in the actuarial assumptions which have been disclosed in note 35.8 to the financial statements for the year ended December 31, 2012.

## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

### 18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Assets Management	Retail Brokerage	Sub-Ordinated loans	Total
Rupees in thousand										
<b>For the quarter ended March 31, 2013 - (Un-audited)</b>										
Total income	25,459	87,240	373,649	7,596,541	14,824	5,069	28,901	7,702	-	8,139,385
Total expenses	6,907	23,668	99,996	7,367,077	4,022	1,375	33,058	6,108	175,117	7,717,323
Net income / (loss)	18,552	63,572	273,653	229,464	10,802	3,694	(4,157)	1,594	(175,117)	422,062
<b>For the quarter ended March 31, 2012 - (Un-audited)</b>										
Total income	21,501	44,815	473,174	8,969,793	13,669	4,593	56,117	9,255	-	9,592,917
Total expenses	4,729	9,858	106,835	8,359,630	3,007	1,010	49,655	4,703	241,832	8,781,259
Net income / (loss)	16,772	34,957	366,339	610,163	10,662	3,583	6,462	4,552	(241,832)	811,658
<b>As at March 31, 2013 - (Un-audited)</b>										
Segment Assets (Gross)	72,420	1,808,785	16,954,863	364,757,140	42,167	14,420	276,580	214,582	-	384,140,957
Segment Non Performing Loans	-	-	2,918,104	23,837,416	-	-	-	-	-	26,755,520
Segment Provision Required	-	-	2,519,647	17,728,433	-	-	-	66,216	-	20,314,296
Segment Liabilities	1,244	31,069	18,919,326	319,256,212	724	248	30,836	34,971	5,723,410	343,998,040
Segment return on net assets (%)	0.03	0.10	0.42	8.48	0.02	0.01	0.00	0.00	-	-
Segment cost of funds (%)	0.01	0.03	0.12	8.71	0.00	-	0.00	0.00	0.21	-
<b>As at December 31, 2012 - (Audited)</b>										
Segment Assets (Gross)	67,659	177,881	14,661,421	357,952,153	28,009	8,055	101,185	193,229	-	373,189,592
Segment Non Performing Loans	-	-	2,873,636	23,644,812	-	-	-	-	-	26,518,448
Segment Provision Required	-	-	2,523,806	17,388,618	-	-	-	66,215	-	19,978,639
Segment Liabilities	984	2,574	18,853,154	307,332,391	405	117	15,904	33,605	7,142,759	333,381,893
Segment return on net assets (%)	0.04	0.10	0.52	9.80	0.02	-	0.05	0.01	-	-
Segment cost of funds (%)	0.01	0.03	0.14	10.08	-	-	0.05	0.01	0.29	-

### 19. RELATED PARTY TRANSACTIONS

As Army Welfare Trust (AWT) holds 50.57 % (December 31, 2012: 50.57 %) of the Bank's share capital at the year end. The Group has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds. Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.



## Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the quarter ended March 31, 2013

Details of transactions with related parties during the quarter and balances as at March 31, 2013 are as follows:

	March 31, 2013 (Un-audited)						December 31, 2012 (Audited)					
	Parent	Key Management Personnel	Directors	Companies with common directorship, having equity under 20%	Associated Company	Employee Funds	Parent	Key Management Personnel	Directors	Companies with common directorship, having equity under 20%	Associated Company	Employee Funds
<b>Balances outstanding as at</b>												
- Advances	-	106,809	-	132	-	-	-	111,092	6,011	145	-	-
- Deposits	11,575,301	21,652	44,757	328,063	46,362	113,891	17,775,898	28,306	39,306	349,635	405,377	52,611
- Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	-	-	-	253,625	-	-	-	-	-	233,955	-	-
- Investment in shares / units - at cost	-	-	-	1,865,277	53,703	-	-	-	-	1,770,695	353,492	-
- Security deposits against lease	-	-	-	132	-	-	-	-	-	132	-	-
- Investment in TFCs issued by the Bank	-	-	-	-	2,393	-	-	-	-	-	3,659	-
- Reimbursable expenses on behalf of Askari High Yield Scheme	-	-	-	2,866	-	-	-	-	-	2,602	-	-
- Management fee and commission receivable from Askari High Yield Scheme (AHYS)	-	-	-	2,001	-	-	-	-	-	2,405	-	-
- Reimbursable expenses on behalf of Askari Asset Allocation Fund	-	-	-	412	-	-	-	-	-	150	-	-
- Management fee and commission receivable from Askari Asset Allocation Fund (AAAF)	-	-	-	182	-	-	-	-	-	461	-	-
- Reimbursable expenses on behalf of Askari Islamic Income Fund	-	-	-	114	-	-	-	-	-	-	-	-
- Management fee and commission receivable from Askari Islamic Income Fund (AIF)	-	-	-	711	-	-	-	-	-	1,046	-	-
- Management fee and commission receivable from Askari Islamic Asset Allocation Fund (AIAAF)	-	-	-	379	-	-	-	-	-	392	-	-
- Reimbursable expenses on behalf of Askari Islamic Asset Allocation Fund	-	-	-	60	-	-	-	-	-	88	-	-
- Reimbursable expenses on behalf of Askari Sovereign Cash Fund	-	-	-	624	-	-	-	-	-	4,655	-	-
- Management fee and commission receivable from Askari Sovereign Cash Fund (ASCF)	-	-	-	3,903	-	-	-	-	-	1,002	-	-
- Reimbursable expenses on behalf of Askari Equity Fund	-	-	-	1,051	-	-	-	-	-	-	-	-
- Management fee and commission receivable from Askari Equity Fund (AEF)	-	-	-	319	-	-	-	-	-	347	-	-
- Management fee and commission receivable from Askari Sovereign Yield Enhancer (ASYE)	-	-	-	1,456	-	-	-	-	-	1,883	-	-
- Reimbursable expenses on behalf of Askari Sovereign Yield Enhancer (ASYE)	-	-	-	1,233	-	-	-	-	-	1,349	-	-
- Pre-paid insurance premium by AIML	-	-	-	-	467	-	-	-	-	-	-	-
- Payable to employee funds	-	-	-	-	-	144,179	-	-	-	-	-	9,475
	March 31, 2013 (Un-audited)						March 31, 2012 (Un-audited)					
<b>Transactions during the quarter ended</b>												
- Mark-up / interest earned	-	1,249	43	-	-	-	-	1,597	3,659	5	-	-
- Net mark-up / interest expensed	464,642	471	418	5,826	-	4,277	559,767	588	3,001	7,666	1,002	5,141
- Contributions to employees' funds	-	-	-	-	-	35,635	-	-	-	-	-	73,693
- Investment in shares / units - at cost	-	-	-	94,582	-	-	-	-	-	185,214	-	-
- Rent of property / service charges paid	2,531	-	-	17,230	-	-	33,205	-	-	12,545	-	-
- Rent of property / service charges received	18,742	-	-	4,335	-	-	-	-	-	4,765	4,944	-
- Dividend income received	-	-	-	5,268	-	-	-	-	-	226,964	-	-
- Remuneration paid	-	54,925	-	-	-	-	-	40,677	-	-	-	-
- Post employment benefits	-	4,186	-	-	-	-	-	3,837	-	-	-	-
- Insurance premium paid	-	-	-	-	995	-	-	-	-	-	681	-
- Insurance claims received	-	-	-	-	14	-	-	-	-	-	38	-
- Security services cost	-	-	-	55,862	-	-	-	-	-	53,529	-	-
- Fee, commission and brokerage income	-	-	-	233	6	-	1	-	-	-	4	-
- Payment received by AIML from ASCF against reimbursable expenses	-	-	-	-	-	-	-	-	-	2,055	-	-
- Remuneration received by AIML from AAAF, AHYS, AIAAF, AIF, ASCF and AEF	-	-	-	21,850	-	-	-	-	-	49,049	-	-
- Fees paid	-	-	1,425	-	-	-	-	-	650	-	-	-

## 20. DATE OF AUTHORIZATION

This condensed interim consolidated financial information was authorized for issue by the Board of Directors on April 22, 2013.

- sd -  
President & Chief Executive

- sd -  
Director

- sd -  
Director

- sd -  
Chairman

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