The Pakistan Credit Rating Agency Limited

Rating Report

Askari Bank Limited | Tier-II TFC (TFC-VII)

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
	AA	-	Stable	Maintain	-
02-Jan-2025	AA	-	Stable	Maintain	-
28-Jun-2024	AA	-	Stable	Maintain	-
28-Dec-2023	AA	-	Stable	Maintain	-
23-Jun-2023	AA	-	Stable	Maintain	-
24-Jun-2022	AA	-	Stable	Maintain	-
25-Jun-2021	AA	-	Stable	Maintain	-
26-Jun-2020	AA	-	Stable	Initial	-
21-Nov-2019	AA	-	Stable	Preliminary	-

Rating Rationale and Key Rating Drivers

Askari Bank's ("AKBL" or the "Bank") assigned ratings benefit from a robust and distinguished ownership structure. The Bank's strong brand image is further reinforced by its affiliation with the Fauji Group—one of the country's most prominent conglomerates. This strategic association has translated into tangible advantages, including enhanced market penetration, elevated customer confidence, access to diversified and sustainable funding sources, and the development of both interest-based and non-interest-based income streams. During the year, the Bank expanded its branch network by opening 60 new branches—53 of which were Islamic—bringing the total to 720 branches, including its international presence in Bahrain and Beijing. AKBL has also made focused efforts to promote business from China, leveraging the positive spillover effects of Chinese investment in Pakistan. Under the guidance of its Shariah Board and professional bankers, Askari Ikhlas Islamic Banking offers a diversified range of Shariah-compliant products and services. Backed by the Fauji Group, the Bank leveraged partnerships with 670 global institutions across 88 countries to boost trade and remittances, while net markup income surged by 6.5% to PKR 63.3bln (CY23: PKR 59.4bln), driven by robust investment and markup income. As of Dec'24, Askari Bank experienced a 5.5% growth in its rock-solid deposits given its exclusive franchise, reaching PKR 1,363bln, with a predominant focus on savings deposits. The Bank's strategic use of funding sources has supported its growth initiatives. Notably, there has been a substantial expansion in the Bank's loan portfolio, at the end of Dec'24 the gross advances stood at PKR ~733bln (CY23: PKR~ 661.3bln), accompanied by a significant increase in its investment book, which stood at PKR ~1,509.7bln mainly invested in Government securities compared to CY23: PKR 1,182.5bln. The Bank's asset quality demonstrated improvement, with the infection ratio inching up to 4.7% in CY24 (CY23: 4.4%). The Bank's CAR improved to 21.4% (CY23: 18.35%).

The Bank is committed to maintain capital ratios well above prescribed thresholds for better risk absorption. The ratings depend on the Bank's ability to maintain its competitive position. Going forward, prudent management of funding costs is crucial, and maintaining asset quality remains essential.

Disclosure	
Name of Rated Entity	Askari Bank Limited | Tier-II TFC (TFC-VII)
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology | Debt Instrument Rating(Oct-24),Methodology | Financial Institution Rating(Oct-24),Methodology | Rating Modifiers(Apr-25)
Related Research	Sector Study | Commercial Banks(Jun-25)
Rating Analysts	Madiha Sohail | madiha.sohail@pacra.com | +92-42-35869504

Issuer Profile

Profile Askari Bank Limited ("AKBL" or the "Bank"), incorporated as a public limited company in 1991, is listed on the Pakistan Stock Exchange. The Bank commenced its operations as a Scheduled Commercial Bank in 1992. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi, and the head office is located in Islamabad. The Bank is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962 and operates with 720 branches (2023: 660 branches); 719 in Pakistan and Azad Jammu and Kashmir, including 198 (2023: 137) Islamic Banking branches and 68 (2023: 63) sub–branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain. The Bank also has a representative office in Beijing, China. The Bank provides a diverse range of products across conventional and Islamic banking.

Ownership The Fauji Consortium: comprising of Fauji Foundation (FF) and Fauji Fertilizer Company Limited (FFCL) collectively owns 71.91 (2023: 71.91) percent shares of the Bank. The ultimate parent of the Bank is Fauji Foundation. The remaining stake of 28.09% is widely spread among financial institutions and the general public. Over the years, The Fauji Group, has emerged as one of the leading conglomerates of the country with established business interests in numerous sectors and industries. The Fauji Group comprises of several industrial/commercial projects in various sectors including energy, gas supply, fertilizer, cement, food, oil & gas exploration, financial services etc. includes wholly-owned as well as partly-owned ventures. The Fauji Group is one of the leading and most diversified groups in Pakistan. The group has a very strong equity and asset base. Over the years the group has stretched its business profile by entering into new industries, providing it diversity; in revenue streams, a very strong brand image, and increased hands-on knowledge of the various sectors of the economy.

Governance The overall control of the Bank vests in the Eleven-member Board of Directors (BoD) including the President and CEO. Five of the Board members are Fauji Foundation nominees; four are independent members, while one represents NIT (National Investment Trust). Lt Gen Anwar Ali Hyder, HI(M) (Retd) is the Chairman of the Board. The Board members bring diverse experience and strong academic backgrounds. Their expertise spans over financial institutions, public sector entities, oil and gas, power, fertilizers, information technology, and other sectors. The key competencies of the members are closely aligned with the Bank's business objectives. The Bank has four Board Committees in place; i) Risk Management Committee, ii) Audit Committee, iii) Human Resource and Remuneration Committee, and iv) Information Technology Committee, which help the Board in the effective oversight of the Bank's overall operations on relevant matters. KPMG Taseer Hadi & Co., Chartered Accountants, served as the external auditors of the Bank for the year ended December 31, 2024. They expressed an unqualified opinion on the Bank's financial statements for CY2024. For 2025 and onwards, A.F. Ferguson & Co. (a member firm of PwC) has been appointed as the external auditor of the Bank. Furthermore, the Bank has independent Internal Audit Function that directly reports to the Board Audit Committee (BAC) and provides independent assurance on the quality, effectiveness and adequacy of the Bank's governance, risk management and control environment.

Management The Bank operates through a well-defined organizational structure headed by the President and CEO. Mr. Zia Ijaz has been appointed as the new President and CEO of the Bank since February 17, 2025. He is a seasoned banker with over three decades of extensive banking experience, having held senior leadership roles at leading commercial banks in Pakistan and abroad. Mr. Zia Ijaz is a Fellow Chartered Accountant and a member of ICAP Pakistan. The Bank's operations are currently divided into 12 functions, 11 of which report directly to the President and CEO. The Chief Internal Auditor reports to the Board Audit Committee. The Bank has seven management committees in place, chaired by the President and CEO, to oversee its day-to-day operational matters. The committees ensure, that the Bank is aligned with its current strategy. The Bank has made a considerable investment in the IT infrastructure. The Bank's core banking software is Flexcube developed by Oracle financial services, and has an Oracle Based Enterprise Risk Management solution and Loan Origination System. These systems not only enhance operational efficiency in the risk management processes, but also promote integrated risk assessment. Furthermore, the Bank has recorded a significant improvement in its cybersecurity posture to mitigate rising challenges and comply with best practices. The Bank has a robust Risk Management Framework driven by the Board Risk Management Committee and supported by multi-tier management structures, including credit risk & operational risk committees and ALCO (for interest rate and market risk) to ensure that the risk tolerance is well defined, and remains aligned with risk appetite, considering factors such as size, financials and market standing. Risk Management Group is headed by the Chief Risk Officer (CRO), who oversees the management of Credit, market/liquidity, Information Security, and Operational Risk.

Business Risk During CY24, Pakistan's Banking sector's total assets posted growth of ~15.8% YoY whilst investments surged by ~14.5% to PKR ~29.8trln (end-Dec23: PKR ~26.0trln). Gross Advances of the sector recorded growth of ~29.1% to stand at PKR ~16.9trln (end-Dec23: PKR ~13.1trln). Non-performing loans witnessed an increase of 7.3% YoY to PKR ~1,067.9bln (end-Dec23: ~994.8bln). The CAR averaged at 20.6% (end-Dec23: 19.7%). Looking ahead, given the expected monetary rate cut and high cost environment, Banks are likely to sustain some dilution in profitability by CY25 (Source: SBP Compendium). AKBL, holds a customer deposit base of PKR 1,344bln other than financial institutions at end-Dec24 (end-Dec23: PKR 1,273bln). On such basis, the market share of deposits of the Bank dipped to 4.6% (endDec23: 4.8%). During CY24, AKBL's NIM witnessed an increase of 6.5% YoY to stand at PKR 63.28bln (CY23: PKR 59.42bln), where markup income recorded an increase of 31.2% YoY to stand at PKR 401.03bln (CY23: PKR 305.64bln). The Bank's asset yield inclined to 19.8% (CY23: 19.2%); however, the portfolio spread declined slightly to 3.7% (CY23: 4.5%) in line with market rates. During CY24, non-mark-up income increased by 19.36% to stand at PKR 15.44bln (CY23: PKR 12.94bln). Non-markup expenses increased by 22.73% YoY to stand at PKR 36.02bln (CY23: PKR 29.35bln). The non-markup income to total income inched up to 19.6% (CY23: 17.9%). The increase in the non markup expenses is mainly driven by the high cost of technology infrastructure and branch expansion initiatives. Subsequently, the net profit stood at PKR 21.02bln (CY23: PKR 21.43bln). AKBL will continue to focus on the growth of core revenues, current accounts, and return on assets by optimizing and reallocating assets and resources to their full potential and will pursue acquiring high-quality assets while enhancing relationship yields and maintaining an optimal risk profile using technology at its best.

Financial Risk At end-Dec24, AKBL's gross advances registered a growth of 10.9% YoY to stand at PKR 733.1bln (end-Dec23: PKR 661.3bln). The Bank's gross Advances to Deposits ratio (ADR) reported at 53.75% (end-Dec23: 51.14%). While the ADR based on net advances reported at 51.02% (end-Dec23: 48.96%). The infection ratio increased to 4.7% (end-Dec23: 4.39%). The Bank has recorded PKR 34.4bln NPLs during CY24 (CY23: PKR 29.1bln). At end-Dec24, the investment portfolio reflected an expansion of 27.7% to PKR 1,509.74bln (end-Dec23: PKR 1,182.54bln). Government securities continued to dominate the overall investment portfolio, comprising 98.01% of total investments as of end-Dec24 (end-Dec23: 98.05%). The Bank's prudent strategy in government securities ensures capital preservation, mitigates risk, secures steady returns and enhances financial stability. The Bank currently maintains a liquidity buffer that is sufficient to cater to any adverse movement in the cash flow maturity profile. 98% of AKBL's investment portfolio consists of government securities. Additionally, the overall liquidity ratio stood at 60.6% (CY23: 55.3%). The current account ratio (CA) stood at 28% (CY23: 27%), the saving account ratio (SA) stood at 61% (CY23: 57%), and the CASA ratio stood at 90% (CY23: 84%). The Bank remains well-capitalized, maintaining strong buffers above regulatory requirements. As of end-Dec24, the Capital Adequacy Ratio (CAR) stood at 21.4% (CY23: 18.3%), with a Tier I CAR of 17.9% (CY23: 16.1%), in full compliance with SBP's minimum thresholds. The Bank is committed to sustaining capital ratios significantly above the regulatory benchmarks to ensure robust risk absorption capacity. The equity base of the Bank stood at PKR 121.6bln at the end of CY24 (CY23: PKR 97.1bln).

Instrument Rating Considerations

About The Instrument The Bank issued an unsecured, subordinated, rated and DSLR-listed Tier-II Term Finance Certificate ("TFCs" or the "Issue" or "Instruments") in Mar'20. The issue amounts to PKR 6bln inclusive of a Green Shoe option of PKR 2bln. The profit rate is 3 Months KIBOR + 1.2%. The tenor of the instrument is 10 years and profit is being paid quarterly in arrears on the outstanding principal amount. The principal is to be paid in 4 equal quarterly installments of 25% each. The amount raised through this Issue contributed toward AKBL's Tier II Capital for maintaining the Capital Adequacy Ratio. The funds so raised are utilized in AKBL's normal business operations as permitted by its Memorandum & Articles of Association. The Bank has paid the profit payments of Tier-II TFC on 17-Jun-2025 the next payment is due on 17-Sep-2025.

Relative Seniority/Subordination Of Instrument The instrument is subordinated to the payment of principal and profit to all other claims except common shares. In addition to the Lock-In Clause, the Instrument is subject to 1) loss absorption upon the occurrence of a Prespecified Trigger ("PST") i.e. issuer's CET1 ratio falls to/below 6.525% of Risk Weighted Assets; and 2) loss absorption and/or any other requirements of SBP upon the occurrence of a Point of Non-Viability ("PONV"). Upon reaching the pre-defined trigger point or point of nonviability (PONV), the TFC may be converted into equity/written off (Partially or in full) as per the discretion/instructions of SBP subject to cap of 245,042,630 shares.

Credit Enhancement The Instrument is unsecured.

The Pakistan Credit Rating Agency Limited

PKR Mln

Askari Bank Limited	Dec-24	Dec-23	Dec-22
Entity	12M	12M	12M
A BALANCE SHEET			
1 Stage I | Advances - net	637,346	629,706	581,962
2 Stage II | Advances - net	56,265	-	-
3 Stage III | Non-Performing Advances	34,429	29,064	31,147
4 Stage III | Impairment Provision	(32,281)	(25,637)	(29,298)
5 Investments in Government Securities	1,481,818	1,159,310	745,164
6 Other Investments	27,928	23,188	17,367
7 Other Earning Assets	27,008	25,102	6,668
8 Non-Earning Assets	265,863	283,273	173,124
Total Assets	2,498,374	2,124,006	1,526,134
6 Deposits	1,363,735	1,293,146	1,142,575
7 Borrowings	881,212	655,363	245,432
8 Other Liabilities (Non-Interest Bearing)	131,798	78,375	64,805
Total Liabilities	2,376,746	2,026,883	1,452,811
Equity	121,629	97,123	73,322
B INCOME STATEMENT			
1 Mark Up Earned	401,028	305,636	165,796
2 Mark Up Expensed	(337,749)	(246,214)	(125,834)
3 Non Mark Up Income	15,441	12,936	11,620
Total Income	78,721	72,359	51,582
4 Non-Mark Up Expenses	(36,021)	(29,348)	(23,080)
5 Provisions/Write offs/Reversals	1,807	(966)	(1,042)
Pre-Tax Profit	44,507	42,044	27,459
6 Taxes	(23,485)	(20,610)	(13,398)
Profit After Tax	21,023	21,435	14,062
C RATIO ANALYSIS			
1 Performance			
Net Mark Up Income / Avg. Assets	2.7%	3.3%	2.9%
Non-Mark Up Expenses / Total Income	45.8%	40.6%	44.7%
ROE	19.2%	25.2%	21.8%
2 Capital Adequacy			
Equity / Total Assets (D+E+F)	4.9%	4.6%	4.8%
Capital Adequacy Ratio	21.4%	18.3%	15.9%
3 Funding & Liquidity			
Liquid Assets / (Deposits + Borrowings Net of Repo)	60.6%	55.3%	53.8%
Net Financial Assets to Deposits Ratio [(Total Finances - net + Non-Performing Finances - net) / Deposits]	51.02%	48.96%	51.10%
Current Deposits / Deposits	28.4%	27.3%	30.6%
Saving Deposits / Deposits	61.3%	56.6%	49.5%
4 Credit Risk			
Impaired Loan Ratio | [Stage III | Non-Performing Advances / Gross Advances]	4.7%	4.4%	5.1%

Debt Instrument Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Scale	Long-Term Rating
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	Very high credit risk. Substantial credit risk “CCC” Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. “CC” Rating indicates that default of some kind appears probable. “C” Ratings signal imminent default.
D	Obligations are currently in default.

Scale	Short-Term Rating
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing)
Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. ‘Stable’ outlook means a rating is not likely to change. ‘Positive’ means it may be raised. ‘Negative’ means it may be lowered. Where the trends have conflicting elements, the outlook may be described as ‘Developing’.

Rating Watch
Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.

Suspension
It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

Withdrawn
A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.

Harmonization
A change in rating due to revision in applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

Note: This scale is applicable to the following methodology(s):

a) Broker Entity Rating
b) Corporate Rating
c) Debt Instrument Rating
d) Financial Institution Rating
e) Holding Company Rating
f) Independent Power Producer Rating
g) Microfinance Institution Rating
h) Non-Banking Finance Company

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Rating Team Statements
(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) **Conflict of Interest**
i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions
(3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
(4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business
(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
(8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest
(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA´s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
(14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review
(18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
(19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
(20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
(21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument;| Chapter III | 17-(d)
Probability of Default
(22) PACRA´s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA´s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA´s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)
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Regulatory and Supplementary Disclosure

Askari Bank Limited | TFC VII (Tier II) | Details

Nature of Instrument	Size of Issue (PKR)	Tenor	Markup (KIBOR+Spread)	Security	Issue Agent	Book Value of Security Assets (PKR mln)
Listed Tier-II TFC	PKR 6,000mln	Upto 10 years	3M KIBOR + 1.2%	Instrument will be unsecured and subordinated as to payment of principal and profit to all other indebtedness of the bank, including deposits and will not be redeemable before maturity without prior approval of SBP.	Pak Oman Investement Company Limited	N/A

Name of Issuer	Askari Bank Limited
Issue Date	17-Mar-20
Maturity	17-Mar-30
Call Option	

Redemption Schedule

Sr.	Due Date Principal & Markup	Opening Principal	KIBOR	Markup/Profit Rate (Kibor + Spread)	Markup/Profit Payment	Principal Payment	Total Installment	Principal Outstanding
		PKR (mln)			PKR (mln)			
Issue Date	17-Mar-20	6,000,000,000			-	-	-	6,000,000,000
1	17-Jun-20	6,000,000,000	12.47%	13.67%	205,050,000	-	205,050,000	6,000,000,000
2	17-Sep-20	6,000,000,000	8.14%	9.34%	140,100,000	-	140,100,000	6,000,000,000
3	17-Dec-20	6,000,000,000	7.29%	8.49%	126,600,000	-	126,600,000	6,000,000,000
4	17-Mar-21	6,000,000,000	7.59%	8.79%	127,350,000	-	127,350,000	6,000,000,000
5	17-Jun-21	6,000,000,000	7.49%	8.69%	131,850,000	-	131,850,000	6,000,000,000
6	17-Sep-21	6,000,000,000	7.53%	8.73%	131,850,000	-	131,850,000	6,000,000,000
7	17-Dec-21	6,000,000,000	10.81%	12.01%	131,850,000	-	131,850,000	6,000,000,000
8	17-Mar-22	6,000,000,000	11.38%	12.58%	131,850,000	-	131,850,000	6,000,000,000
9	17-Jun-22	6,000,000,000	15.05%	16.25%	245,753,425	-	245,753,425	6,000,000,000
10	17-Sep-22	6,000,000,000	16.08%	17.28%	261,330,411	-	261,330,411	6,000,000,000
11	17-Dec-22	6,000,000,000	16.98%	18.18%	271,952,877	-	271,952,877	6,000,000,000
12	17-Mar-23	6,000,000,000	21.09%	22.29%	329,769,863	-	329,769,863	6,000,000,000
13	17-Jun-23	6,000,000,000	21.11%	22.31%	337,400,548	-	337,400,548	6,000,000,000
14	17-Sep-23	6,000,000,000	22.07%	23.27%	351,918,904	-	351,918,904	6,000,000,000
15	17-Dec-23	6,000,000,000	22.80%	24.00%	359,013,699	-	359,013,699	6,000,000,000
16	17-Mar-24	6,000,000,000	21.42%	22.62%	338,370,411	-	338,370,411	6,000,000,000
17	17-Jun-24	6,000,000,000	21.32%	22.52%	340,576,438	-	340,576,438	6,000,000,000
18	17-Sep-24	6,000,000,000	12.06%	13.26%	200,534,795	-	200,534,795	6,000,000,000
19	17-Dec-24	6,000,000,000	17.33%	18.53%	277,188,493	-	277,188,493	6,000,000,000
20	17-Mar-25	6,000,000,000	12.19%	13.39%	198,098,630	-	198,098,630	6,000,000,000
21	17-Jun-25	6,000,000,000	12.08%	13.28%	200,837,260	-	200,837,260	6,000,000,000
22	17-Sep-25	6,000,000,000	21.32%	22.52%	340,576,438	-	340,576,438	6,000,000,000
23	17-Dec-25	6,000,000,000	21.32%	22.52%	336,874,521	-	336,874,521	6,000,000,000
24	17-Mar-26	6,000,000,000	21.32%	22.52%	333,172,603	-	333,172,603	6,000,000,000
25	17-Jun-26	6,000,000,000	21.32%	22.52%	340,576,438	-	340,576,438	6,000,000,000
26	17-Sep-26	6,000,000,000	21.32%	22.52%	340,576,438	-	340,576,438	6,000,000,000
27	17-Dec-26	6,000,000,000	21.32%	22.52%	336,874,521	-	336,874,521	6,000,000,000
28	17-Mar-27	6,000,000,000	21.32%	22.52%	333,172,603	-	333,172,603	6,000,000,000
29	17-Jun-27	6,000,000,000	21.32%	22.52%	340,576,438	-	340,576,438	6,000,000,000
30	17-Sep-27	6,000,000,000	21.32%	22.52%	340,576,438	-	340,576,438	6,000,000,000
31	17-Dec-27	6,000,000,000	21.32%	22.52%	336,874,521	-	336,874,521	6,000,000,000
32	17-Mar-28	6,000,000,000	21.32%	22.52%	336,874,521	-	336,874,521	6,000,000,000
33	17-Jun-28	6,000,000,000	21.32%	22.52%	340,576,438	-	340,576,438	6,000,000,000
34	17-Sep-28	6,000,000,000	21.32%	22.52%	340,576,438	-	340,576,438	6,000,000,000
35	17-Dec-28	6,000,000,000	21.32%	22.52%	336,874,521	-	336,874,521	6,000,000,000
36	17-Mar-29	6,000,000,000	21.32%	22.52%	333,172,603	-	333,172,603	6,000,000,000
37	17-Jun-29	6,000,000,000	21.32%	22.52%	340,576,438	1,500,000,000	1,840,576,438	4,500,000,000
38	17-Sep-29	4,500,000,000	21.32%	22.52%	255,432,329	1,500,000,000	1,755,432,329	3,000,000,000
39	17-Dec-29	3,000,000,000	21.32%	22.52%	168,437,260	1,500,000,000	1,668,437,260	1,500,000,000
40	17-Mar-30	1,500,000,000	21.32%	22.52%	83,293,151	1,500,000,000	1,583,293,151	-
					10,754,910,411	**6,000,000,000**	**16,754,910,411**	