
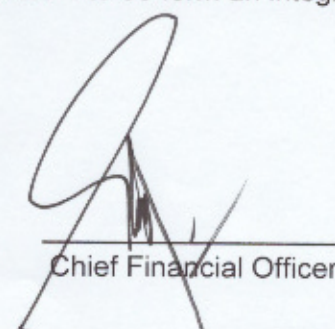
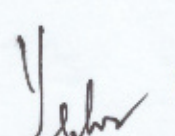
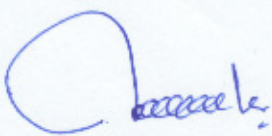



THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

		(Un-audited)	(Audited)
	Note	March 31, 2022	December 31, 2021
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks	5	4,509,682	4,447,089
Balances with other banks	6	16,018,216	14,774,633
Lendings to financial institutions		-	-
Investments	7	184,319	183,775
Advances	8	2,887,807	2,815,313
Fixed assets	9	258,660	253,886
Intangible assets		-	-
Deferred tax assets	10	35,485	30,011
Other assets	11	1,181,180	1,046,611
		25,075,349	23,551,318
LIABILITIES			
Bills payable	12	46,722	158,180
Borrowings		-	-
Deposits and other accounts	13	18,669,046	17,270,623
Liabilities against assets subject to finance lease		138,087	138,519
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	14	687,374	563,110
		19,541,229	18,130,432
NET ASSETS		5,534,120	5,420,886
REPRESENTED BY			
Share capital		5,142,903	5,142,903
Reserves		296,161	269,037
(Deficit) on revaluation of assets	15	(13,444)	(13,797)
Unappropriated profit		108,500	22,743
		5,534,120	5,420,886
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


				
President/CEO	Chief Financial Officer	Director	Director	Director

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2022

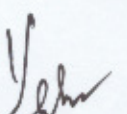
	Note	January to March 2022	January to March 2021
Mark-up / return / interest earned	17	596,071	411,284
Mark-up / return / interest expensed	18	<u>255,561</u>	<u>154,527</u>
Net mark-up/interest income		340,510	256,757
NON MARK-UP/INTEREST INCOME			
Fee and commission income	19	5,032	5,477
Dividend income		475	815
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other income	20	<u>1,723</u>	<u>1,607</u>
Total non-markup/interest Income		7,230	7,899
Total Income		<u>347,740</u>	<u>264,656</u>
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	21	149,157	130,316
Workers welfare fund		-	-
Other charges		-	-
Total non-markup/interest expenses		149,157	130,316
Profit before provisions		<u>198,583</u>	<u>134,340</u>
Provisions and write offs - net	22	<u>14,473</u>	<u>7,242</u>
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		<u>184,110</u>	<u>127,098</u>
Taxation	23	<u>71,229</u>	<u>54,714</u>
PROFIT/(LOSS) AFTER TAXATION		<u>112,881</u>	<u>72,384</u>
BASIC AND DILUTED EARNINGS PER SHARE			
	24	<u>0.22</u>	<u>0.14</u>


Restated


The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


President/CEO


Chief Financial Officer


Director


Director


Director

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2022

	January to March 2022	January to March 2021
Profit after taxation for the period	112,881	71,569
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of investments - net of tax	354	2,395
Total comprehensive income	<u><u>113,235</u></u>	<u><u>73,964</u></u>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



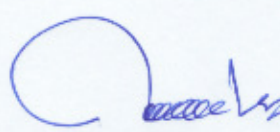
President/CEO



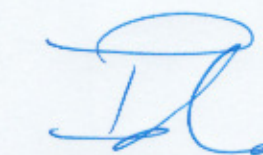
Chief Financial Officer



Director



Director




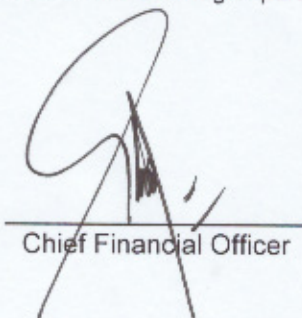
Director

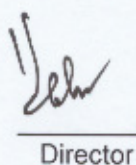
THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2022

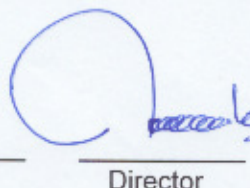
	Note	January to March 2022	January to March 2021
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		184,110	79,049
Less: Dividend income		475	815
		183,635	78,234
Adjustments:			
Depreciation		9,353	6,581
Depreciation on right-of-use assets		8,255	6,554
Mark-up / return / interest expensed on lease liability against right-of-use assets		4,252	2,291
Provision and write-offs	22	14,473	5,122
(Gain) on sale of fixed assets		-	-
		36,333	20,548
		219,968	98,782
(Increase)/ Decrease in operating assets			
Advances		(94,081)	216,298
Others assets (excluding advance taxation)		(145,065)	(315,872)
		(239,146)	(99,574)
Increase/ (Decrease) in operating liabilities			
Bills Payable		(111,458)	(2,537)
Deposits		1,398,423	229,590
Other liabilities (excluding current taxation)		77,760	56,813
		1,364,725	283,866
Income tax paid		(30,388)	(14,895)
Net cash flow generated from operating activities		1,315,159	268,179
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		-	-
Dividends received		475	815
Investments in operating fixed assets		(4,774)	(1,794)
Proceeds from sale of fixed assets		-	-
Net cash flow (used in) investing activities		(4,299)	(979)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share capital		-	-
Payment of lease liability against right-of-use assets		(4,684)	(5,556)
Dividend paid		-	-
Net cash flow from / (used in) financing activities		(4,684)	(5,556)
Increase / (Decrease) in cash and cash equivalents		1,306,176	261,644
Cash and cash equivalents at beginning of the period		19,221,722	10,314,178
Cash and cash equivalents at end of the period		20,527,898	10,575,822

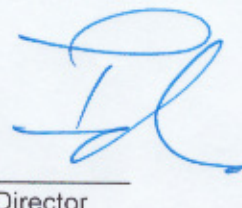
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.


 President/CEO


 Chief Financial Officer


 Director



 Director


 Director

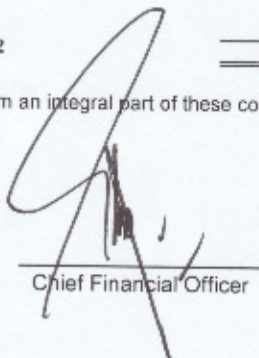
THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2022

	Share Capital	Surplus/ (deficit) on revaluation of investments	Unappropriated profit	Statutory Reserve	Total
	Rupees in '000				
Balance as at December 31, 2020	2,129,911	(12,451)	267,130	-	2,384,590
Profit after taxation for the three month ended March 31, 2021	-	-	71,569	-	71,569
Other comprehensive income - net of tax	-	2,395	-	-	2,395
Transactions with owners, recorded directly in equity					
Issue of bonus shares	-	-	-	-	-
Balance as at March 31, 2021	<u>2,129,911</u>	<u>(10,056)</u>	<u>338,699</u>	<u>-</u>	<u>2,458,554</u>
Profit after taxation for the nine months ended December 31, 2021	-	-	166,073	-	166,073
Transfer to Statutory Reserve	-	-	(269,037)	269,037	-
Other comprehensive income - net of tax	-	(3,741)	-	-	(3,741)
Transactions with owners, recorded directly in equity					
Issue of Shares against cash	2,800,000	-	-	-	2,800,000
Issue of share capital	212,992	-	(212,992)	-	-
Balance as at December 31, 2021	<u>5,142,903</u>	<u>(13,797)</u>	<u>22,743</u>	<u>269,037</u>	<u>5,420,886</u>
Profit / (loss) after taxation for the current period	-	-	112,881	-	112,881
Transfer to Statutory Reserve	-	-	(27,124)	27,124	-
Other comprehensive income - net of tax	-	-	-	-	-
Transactions with owners, recorded directly in equity					
Issue of bonus shares	-	353	-	-	353
Balance as at March 31, 2022	<u>5,142,903</u>	<u>(13,444)</u>	<u>108,500</u>	<u>296,161</u>	<u>5,534,120</u>

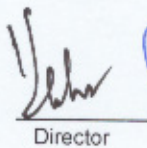
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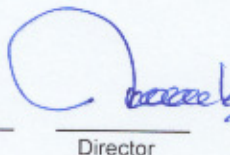
President/CEO



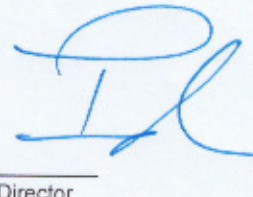
Chief Financial Officer



Director



Director



Director

THE BANK OF AZAD JAMMU AND KASHMIR
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2022

1. STATUS AND NATURE OF BUSINESS

The Bank of Azad Jammu and Kashmir (the Bank) was established under The Bank of Azad Jammu and Kashmir Act, 2005 (the Act) and is principally engaged in commercial banking and related services as a non-scheduled bank in Azad Jammu and Kashmir State. The registered office of the Bank is situated at Bank Square, Chatter, Muzaffarabad, Azad Jammu and Kashmir. The Government of Azad Jammu and Kashmir holds directly and indirectly Bank's entire share capital at the year end.

The Bank has 77 branches (December 2021: 77 branches; March 2021: 72 branches) in Azad Jammu and Kashmir.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

Bye-Law of the bank require that the statement of financial position and profit and loss account of the Bank shall be drawn up in conformity with the rules and regulations of The State Bank of Pakistan (SBP) and Section 34 of The Banking Company Ordinance, 1962. Accordingly, these financial statements have been prepared in accordance with the requirements of the Act, its Bye-Laws and approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of:

International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified by SECP Under the companies Act, 2017; and

Provisions of and directives issued by the SBP by the SBP under the Banking Companies Ordinance, 1962.

Whenever the requirements of the directives issued by the SBP differ with the requirements of IFRS, the requirements of the said directives shall prevail.

2.2 The disclosures made in this condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 05 of 2019 and International Accounting Standard 34, "Interim Financial Reporting". This condensed interim financial information do not include all of the disclosures required for annual financial statements and should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Bank, for the year ended December 31, 2021.

3.1 Standards, interpretations of and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

	Effective from accounting period beginning on or after
-Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2022
-Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
-Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
-Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – cost of fulfilling a contract	January 01, 2022
-Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
-State Bank of Pakistan vide its BPRD Circular No. 24 of 2021 dated July 05, 2021 has directed banks in Pakistan to implement IFRS 9 with effect from 01 January 2022	

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

3.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the financial statements for the year ended December 31, 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2021.

4.1 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements of the Bank for the year ended December 31, 2021.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
5 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	262,545	199,729
With National Bank of Pakistan in		
Local currency current accounts	81,173	36,676
Local currency deposit account	215,964	40,664
Local currency Term deposit accounts	3,950,000	4,170,000
	4,247,137	4,247,360
Prize bonds	-	-
	4,509,682	4,447,089

6 BALANCES WITH OTHER BANKS		
In Pakistan (Azad Jammu and Kashmir)		
In current accounts	427,693	331,776
In deposit accounts	15,590,523	14,442,857
	16,018,216	14,774,633

	(Un-audited) March 31, 2022				(Audited) December 31, 2021			
7 INVESTMENTS	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
7.1 Investments by type:								
	Rupees in '000							
Available-for-sale securities								
Units of open ended mutual funds	205,000	-	(20,681)	184,319	205,000	-	(21,225)	183,775
Held-to-maturity securities								
Term finance certificates - note 8.2	49,940	(49,940)	-	-	49,940	(49,940)	-	-
Total Investments	254,940	(49,940)	(20,681)	184,319	254,940	(49,940)	(21,225)	183,775

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
7.2 Provision for diminution in value of investments		
7.2.1 Opening balance	49,940	49,940
Charge for the period / year	-	-
Closing Balance	49,940	49,940

7.2.2 Particulars of provision against debt securities				
Category of classification	(Un-audited) March 31, 2022		(Audited) December 31, 2021	
	NPI	Provision	NPI	Provision
Domestic				
Loss	49,940	(49,940)	49,940	(49,940)
Total	49,940	(49,940)	49,940	(49,940)

8 ADVANCES						
	Performing		Non Performing		Total	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
	Rupees in '000					
Loans, cash credits, running finances, etc.	2,946,546	2,866,660	152,370	136,739	3,098,916	3,003,399
Advances - gross	2,946,546	2,866,660	152,370	136,739	3,098,916	3,003,399
Provision against advances						
- Specific	-	-	(130,672)	(108,487)	(130,672)	(108,487)
- General	(80,437)	(79,599)	-	-	(80,437)	(79,599)
	(80,437)	(79,599)	(130,672)	(108,487)	(211,109)	(188,086)
Advances - net of provision	2,866,109	2,787,061	21,698	28,252	2,887,807	2,815,313

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		Rupees in '000	
8.1	Particulars of advances (Gross)		
	In local currency	3,098,916	3,003,399

8.2 Advances include Rs. 203,981 thousand (2021: 188,955 thousand) which have been placed under non-performing status as detailed below:-

Category of Classification	(Un-audited) March 31, 2022		(Audited) December 31, 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
Domestic	63	-	-	-
Other Assets Especially Mentioned	21,296	3,658	4,827	742
Substandard	7,993	3,996	518	259
Doubtful	123,018	123,018	131,594	107,486
Loss	152,370	130,672	136,739	108,487
Total				

8.3 Particulars of provision against advances	(Un-audited) March 31, 2022			(Audited) December 31, 2021		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	108,487	79,599	188,086	147,620	55,719	203,339
Charge for the period / year	21,432	838	22,270	37,669	23,880	61,549
Reversals	(7,797)	-	(7,797)	(24,586)	-	(24,586)
	13,635	838	14,473	13,083	23,880	36,963
Amount Charged off- agriculture Financing	8,550	-	8,550	(52,216)	-	(52,216)
Closing balance	130,672	80,437	211,109	108,487	79,599	188,086

8.3.1 Particulars of provision against advances	(Un-audited) March 31, 2022			(Audited) December 31, 2021		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	130,672	80,437	-	108,487	79,599	188,086
	130,672	80,437	-	108,487	79,599	188,086

8.4 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with the SBP's Prudential Regulation for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		Rupees in '000	
9	FIXED ASSETS		
	Capital work-in-progress		
	Property and equipment	9.1	
		11,084	10,436
		247,576	243,450
		258,660	253,886
9.1	Capital work-in-progress		
	Advances to suppliers	11,084	10,436

This represents advance to suppliers in respect of purchase of office equipment, computers and furniture.

		(Un-audited) March 31, 2022	(Un-audited) March 31, 2020
		Rupees in '000	
9.2	Additions to fixed assets		
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress	648	95
	Property and equipment		
	Freehold land	-	-
	Building on freehold land	27	-
	Leasehold Improvements	906	2
	Furniture and fixture	3,193	-
	Electrical office and computer equipment	-	-
	Vehicles	-	-
	Others	-	-
		4,126	2
	Total	4,774	97

		(Un-audited) March 31, 2022	Audited December 31, 2021
		Rupees in '000	
10	DEFERRED TAX ASSETS		
	Deductible Temporary Differences on		
	- Accelerated tax depreciation	22,195	17,447
	- Provision against receivable from Kashmir Council	1,685	1,885
	- Provision against customer claims	3,087	3,101
	- Provision against Classified Advances	1,280	350
	- Deficit on revaluation of investments	7,238	7,428
	Net deferred tax assets	35,485	30,011
11	OTHER ASSETS	35,485	30,011
	Income/ mark-up accrued in local currency - net of provision	11.1	1,101,263
	Advances, deposits, advance rent and other prepayments	882	1,040,052
	Advance taxation (payments less provisions)	-	419
	Branch adjustment account	33,307	-
	Stationery and stamps in hand	4,290	4,322
	Others	46,253	6,633
	Less: Provision held against other assets	1,185,995	1,051,428
	Other Assets (Net of Provision)	(4,815)	(4,815)
11.1	This balance has arrived at after adjusting interest in suspense account of Rs. 131,501 Thousand (2021 : Rs. 128,011 thousand).	1,181,180	1,046,611
11.2	Provision held against other assets		
	Receivable from Kashmir Council	(4,815)	4,815

		(Un-audited) March 31, 2022	Audited December 31, 2021
		Rupees in '000	
12	BILLS PAYABLE		
	In Pakistan	46,722	158,180

		(Un-audited) March 31, 2022			Audited December 31, 2021		
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
		Rupees in '000					
13	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	5,703,830	-	5,703,830	5,004,027	-	5,004,027
	Savings deposits	8,657,119	-	8,657,119	8,090,461	-	8,090,461
	Term deposits	4,302,708	-	4,302,708	4,062,072	-	4,062,072
	Others	5,389	-	5,389	114,063	-	114,063
		18,669,046	-	18,669,046	17,270,523	-	17,270,523

		(Un-audited) March 31, 2022	Audited December 31, 2021
		Rupees in '000	
14	OTHER LIABILITIES		
	Mark-up/ return/ interest payable in local currency - note 15.1	250,740	247,452
	Accrued expenses	128,871	4,149
	Income tax payable	111,439	64,935
	Branch adjustment account	-	102,067
	Provision for bonus to employees	30,750	24,001
	Provision against customer claims	8,821	8,861
	Leave encashment	48,242	48,242
	Education cess	22,987	19,186
	Others	85,524	44,217
		687,374	563,110

14.1 It includes an amount of Rs. 107,550 thousand (2021: Rs. 100,571 thousand) on account of interest payable to related parties .

		(Un-audited) March 31, 2022	Audited December 31, 2021
		Rupees in '000	
15	DEFICIT ON REVALUATION OF ASSETS		
	Deficit on revaluation of		
	- Available for sale securities	7.1	(20,681)
	Deferred tax on surplus / (deficit) on revaluation of:		
	- Available for sale securities	7,238	7,429
		(13,443)	(13,796)

16 CONTINGENCIES AND COMMITMENTS

	-Guarantees	16.1	29,378	19,586
	-Commitments	16.2	40,605	52,484
	-Bills for collection	16.4	197,490	58,235
			<u>267,473</u>	<u>130,305</u>
16.1	Guarantees:			
	Financial guarantees		29,378	19,586
				December 31,
				March 31, 2022 2021
				Rupees in '000
16.2	Commitments:			
	Loan sanctioned but not disbursed		21,155	23,153
	Unavailed running finance		<u>19,450</u>	<u>29,331</u>
			<u>40,605</u>	<u>52,484</u>

16.3 Due to adoption of IFRS-16 there is no commitment in respect of operating lease.

16.4 Bills for collection

Bills for collection represent bills drawn in favour of various financial institutions on behalf of the Bank's customers. These are accepted by the Bank as an agent and the Bank does not carry any credit risk in respect of these bills.

		January to March 2022	January to March 2021
		Rupees in '000	
17	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	110,256	88,120
	b) Investments	-	-
	d) Balances with banks	485,815	323,164
		<u>596,071</u>	<u>411,284</u>
18	MARK-UP/RETURN/INTEREST EXPENSED		
	On:		
	a) Deposits	251,309	150,592
	b) Lease liability against right-of-use- assets	4,252	3,935
		<u>255,561</u>	<u>154,527</u>
19	FEE & COMMISSION INCOME		
	Branch banking customer fees	633	653
	Commission on cheques books	1,112	1,194
	Credit related fees	1,245	1,676
	Commission on guarantees	110	209
	Commission on remittances	275	285
	Commission on call deposit	18	-
	Commission on utility bills	1,441	1,229
	Postages charges	163	180
	Others	35	51
		<u>5,032</u>	<u>5,477</u>
20	OTHER INCOME		
	other Income	1,723	1,607

25 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

25.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Un-Audited March 31, 2022				
	Level 1	Level 2	Level 3	Total
Rupees in '000				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Mutual Fund	184,319	-	-	184,319

Audited December 31, 2021				
	Level 1	Level 2	Level 3	Total
Rupees in '000				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Mutual Fund	183,775	-	-	183,775

26 Segment details with respect to business activities

For the three months ended March 31, 2022 (Un-audited)					
Profit & Loss	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
Net mark-up/return/profit	100,515	239,995	-	-	340,510
Non mark-up / return / interest income	29	2,198	3,545	1,458	7,230
Total Income	100,544	242,193	3,545	1,458	347,740
Segment direct expenses	24,858	123,062	876	360	149,156
Total expenses	24,858	123,062	876	360	149,156
Provisions charged / (reversal)	13,635	838	-	-	14,473
Profit before tax	62,051	118,293	2,669	1,098	184,111

as at March 31, 2022

Balance Sheet

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
Cash & Bank balances	-	20,527,898	-	-	20,527,898
Investments	-	184,319	-	-	184,319
Advances - performing	2,649,364	297,182	-	-	2,946,546
- non-performing	36,025	116,345	-	-	152,370
- provision	(116,462)	(94,647)	-	-	(211,109)
Operating fixed assets	43,107	213,408	1,520	625	258,660
Deferred tax asset	5,913	29,277	209	86	35,485
Others	1,003,510	177,007	470	193	1,181,180
Total Assets	3,621,457	21,450,789	2,199	904	25,075,349
Bills payable	-	46,722	-	-	46,722
Deposits & other accounts	-	18,669,046	-	-	18,669,046
Others	85,977	738,284	851	349	825,461
Total liabilities	85,977	19,454,052	851	349	19,541,229
Equity	3,535,480	1,996,737	1,348	555	5,534,120
Total Equity & liabilities	3,621,457	21,450,789	2,199	904	25,075,349

Contingencies & Commitments

197,490	48,828	-	-	246,318
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For the three months ended March 31, 2021 (Un-audited)

Profit & Loss

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
Net mark-up/return/profit	77,978	487,831	-	-	565,809
Non mark-up / return / interest income	216	1,433	4,207	1,229	7,085
Total Income	78,194	489,264	4,207	1,229	572,894
Segment direct expenses	24,356	104,266	1,310	383	130,315
Total expenses	24,356	104,266	1,310	383	130,315
Provisions charged / (reversal)	(655)	7,897	-	-	7,242
Profit before tax	54,493	377,101	2,897	846	435,337

As at December 31, 2021 (Audited)

Balance Sheet

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
Cash & Bank balances	-	19,221,722	-	-	19,221,722
Investments	-	183,775	-	-	183,775
Advances - performing	2,640,261	226,399	-	-	2,866,660
Advances - non-performing	41,238	95,501	-	-	136,739
Advances - provision	(116,753)	(71,333)	-	-	(188,086)
Operating fixed assets	52,677	197,615	2,477	1,117	253,886
Deferred tax asset	6,227	23,359	293	132	30,011
Others	929,941	116,577	64	29	1,046,611
Total Assets	3,553,591	19,993,615	2,834	1,278	23,551,318
Bills payable	-	158,180	-	-	158,180
Deposits & other accounts	-	17,270,623	-	-	17,270,623
Liabilities against assets subject to finance lease	28,740	107,818	1,351	610	138,519
Others	32,228	428,777	102,093	12	563,110
Total liabilities	60,968	17,965,398	103,444	622	18,130,432
Equity	3,492,623	2,028,217	(100,610)	656	5,420,886
Total Equity & liabilities	3,553,591	19,993,615	2,834	1,278	23,551,318

Contingencies & Commitments

23,153	29,331	58,235	19,586	130,305
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27 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence. The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the terms of the

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

	(Un-audited) March 31, 2022		(Audited) December 31, 2021	
	Government of Azad Jammu & Kashmir and its related department	Key management personnel	Government of Azad Jammu & Kashmir and its related department	Key management personnel
	(Rupees in '000)			
Advances				
Opening balance	-	61,031	-	32,503
Addition during the period / year	-	15,356	-	31,778
Addition/Repaid during the period / year	-	-	-	(3,250)
Closing balance	-	76,387	-	61,031
Provision held against advances	-	-	-	-
Other Assets				
Interest / mark-up accrued	-	-	-	-
Deposits and other accounts				
Opening balance	8,332,479	4,384	5,439,545	663
Received/Withdrawal during the period / year	262,211	(1,440)	2,892,934	3,721
Closing balance	8,594,690	2,944	8,332,479	4,384
Other Liabilities				
Interest / mark-up payable	107,550	-	100,571	-
Contingencies and Commitments				
Unavailed running finance	-	-	-	-

RELATED PARTY TRANSACTIONS

	(Un-audited) For the three months ended March 31, 2022		(Un-audited) For the three months ended March 31, 2021	
	Government of Azad Jammu & Kashmir and its related department	Key management personnel	Government of Azad Jammu & Kashmir and its related department	Key management personnel
	(Rupees in '000)			
Income				
Mark-up / return / interest earned	-	889	-	510
Expense				
Mark-up / return / interest paid	85,430	88	89,405	24

(Un-audited) (Audited)
March 31, December
2022 31, 2021
Rupees in '000

28 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

10,000,000 10,000,000

Capital Adequacy Ratio (CAR):

Eligible common equity tier 1 (CET 1) capital

Eligible additional tier 1 (ADT 1) capital

Total regulatory adjustment applied to CET1

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

5,251,403	5,165,646
-	-
(13,444)	-
5,237,959	5,165,646
80,437	65,802
5,318,396	5,231,448

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

8,991,059	8,697,335
368,638	459,438
930,569	1,517,260
10,290,266	10,674,033

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

51.03%	48.39%
50.90%	48.39%
51.68%	49.01%

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio

5,237,959	5,165,646
25,104,727	23,681,623
21%	22%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

20,527,898	19,221,722
5,159,196	5,953,917
398%	323%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

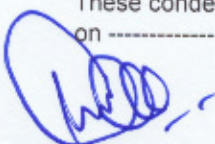
15,900,198	13,209,976
11,455,145	10,970,802
139%	120%

29 GENERAL

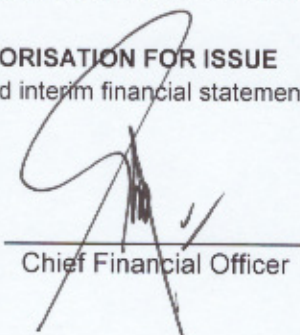
Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

30 DATE OF AUTHORISATION FOR ISSUE

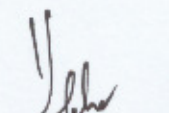
These condensed interim financial statements were authorized for issue by the Board of Directors of the Bank on -----.



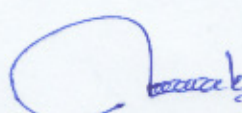
President/CEO



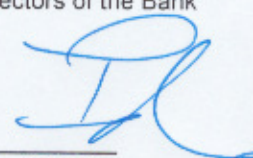
Chief Financial Officer



Director



Director



Director