

THE BANK OF AZAD JAMMU AND KASHMIR
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31,2017

March 31, 2017 (Un-Audited)	December 31, 2016 (Audited)
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Notes Rupees '000

ASSETS

Cash and balances with treasury banks		1,396,550	1,299,452
Balances with other banks		4,662,357	3,843,415
Lending to Financial Institutions		-	-
Investments	6	607,367	604,748
Advances	7	2,515,188	2,609,430
Operating fixed assets		123,807	115,638
Deferred Tax Assets		13,386	13,386
Other assets		518,169	450,252
		9,836,824	8,936,321

LIABILITIES

Bills payable		23,878	8,716
Borrowings		-	-
Deposits		8,594,247	7,845,625
Liabilities against assets subject to finance lease		-	-
Deferred Tax Liability		-	-
Deferred Government grant		-	-
Other liabilities		216,123	132,659
		8,834,248	7,987,000
NET ASSETS		1,002,576	949,321

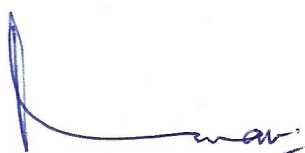
REPRESENTED BY

Share capital		785,977	785,977
Advance Against issuance of Shares		-	-
Reserves		-	-
Un-appropriated profit		195,861	145,225
		981,838	931,202
Surplus on revaluation of asset		20,738	18,119
		1,002,576	949,321

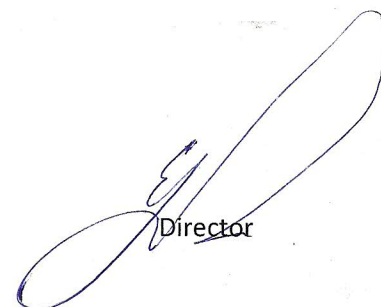
CONTINGENCIES AND COMMITMENTS

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


Managing Director

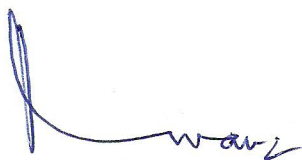

Director



Director

THE BANK OF AZAD JAMMU AND KASHMIR
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31,2017

	For the quarter, Ended March 31,2017 (Un-Audited)	Up to the year 2017 (Un-Audited)	For the quarter, Ended March 31,2016 (Un-Audited)	For the Year ended December 31,2016 (Audited)
	Rupees '000			
Mark-up / return / interest earned	203,649	203,649	203,348	808,798
Mark-up / return / interest expensed	78,728	78,728	90,892	333,382
Net mark-up / interest income	124,921	124,921	112,456	475,416
Provision against non-performing loans and advances	(23,986)	(23,986)	3,204	79,711
Provision against Lending to Financial Institutions	-	-	-	-
Provision for impairment in value of investment	-	-	-	-
Bad debts written off directly	-	-	-	-
Net mark-up / interest income after provisions	148,907	148,907	109,252	395,705
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	3,687	3,687	4,373	17,315
Dividend income	-	-	-	10,691
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities	-	-	4,270	16,343
Unrealized gain on revaluation of investments classified as held for trading	-	-	-	-
Other income	604	604	909	5,619
Total non-markup / interest income	4,291	4,291	9,552	49,968
	153,198	153,198	118,804	445,673
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	75,296	75,296	68,192	324,969
Other provisions / write offs	-	-	-	31,866
Other charges	-	-	-	-
Total non-markup / interest expenses	75,296	75,296	68,192	356,835
	77,902	77,902	50,612	88,838
Extraordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	77,902	77,902	50,612	88,838
Taxation - current	(27,266)	(27,266)	(17,714)	(55,164)
- deferred	-	-	-	16,532
PROFIT AFTER TAXATION	(27,266)	(27,266)	(17,714)	(38,632)
	50,636	50,636	32,898	50,206
Basic/Diluted Earning per share (Rupees)	0.64	0.64	0.42	0.64

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


Managing Director

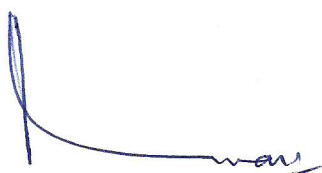

Director


Director

THE BANK OF AZAD JAMMU AND KASHMIR
CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31,2017

	March 31, 2017 (Un-Audited)	March 31, 2016 (Un-Audited)
	Rupees '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	77,902	50,612
Less: Dividend	-	-
	<u>77,902</u>	<u>50,612</u>
Adjustment for non-cash charges		
Depreciation	5,718	4,483
Provision against non-performing loans and advances	(23,986)	3,204
Provision for impairment in the value of investment	-	-
Amortization of Deferred Government grant	-	-
Fixed Assets Adjustment	-	-
	<u>(18,268)</u>	<u>7,687</u>
	59,634	58,299
(Increase) / decrease in operating assets		
Lending to financial Institution	-	-
Advances	117,376	42,771
Other assets	(66,162)	(28,792)
	<u>51,214</u>	<u>13,979</u>
Increase / (decrease) in operating liabilities		
Bills payable	15,162	2,293
Deposits	748,622	(258,856)
Other liabilities (excluding current taxation)	83,464	63,860
	<u>847,248</u>	<u>(192,703)</u>
	958,096	(120,425)
Less : Tax Paid	(33,887)	(12,013)
Net cash inflow from operating activities	<u>924,209</u>	<u>(132,438)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net Investment in available for sale securities	-	(35,000)
Net Investment in Held for maturities securities	-	-
Dividend Income	-	-
Investment in Operating Fixed Assets	(8,169)	(10,756)
Net Cash Outflow from Financing Activities	<u>(8,169)</u>	<u>(45,756)</u>
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	916,040	(178,194)
Cash and cash equivalents at beginning of the period	5,142,867	4,017,716
Cash and cash equivalents at end of the period	<u>6,058,907</u>	<u>3,839,522</u>

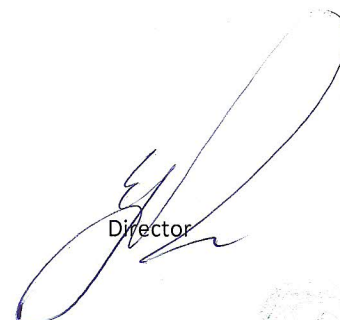
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Managing Director



Director




Director

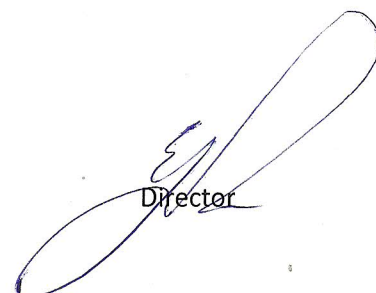
THE BANK OF AZAD JAMMU AND KASHMIR
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31,2017

	Share capital	Unappropriated profit (Rupees '000)	Total
Balance as at January 01, 2016	785,977	94,519	880,496
Net Profit for the year ended December 31,2016	-	50,706	50,706
Balance as at December 31, 2016	785,977	145,225	931,202
Net Profit for the quarter ended March 31,2017	-	50,636	50,636
Balance as at March 31, 2017	785,977	195,861	981,838

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


Managing Director


Director


Director

THE BANK OF AZAD JAMMU AND KASHMIR
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31,2017

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 Head 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 end of the period.

The Bank has 65 branches (December 2016: 65 branches) in Azad Jammu and Kashmir.

2. BASIS OF PRESENTATION

These financial statements have been presented in accordance with the requirements of format prescribed by the State Bank of Pakistan's BSD Circular No 4 dated February 17, 2006 and the Bank of Azad Jammu and Kashmir Act , 2005 (the Act) and Bye Laws. These financial Statements have been presented in pakistani Rupee, which is the Bank's functional and presentation currency. The figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of The Bank of Azad Jammu and Kashmir Act, 2005 and its Bye-Laws 2007 and are in accordance with the approved accounting standards as applicable in Pakistan. Bye-Laws 2007 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 and Section 34 of the Banking Companies Ordinance, 1962.

4. BASIS OF MEASUREMENTS

These financial statements have been prepared under the historical cost convention as modified for certain investments which are shown at revalued amounts.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are the same as applied in the preparation of the financial statements of the bank for the year ended December 31, 2016.

6. INVESTMENTS

6 Investment by types

Available for sale securities

	March 31, 2017 (Un Audited)			December 31, 2016 Audited)		
	Held by Bank	Given as Collateral	Total	Held by Bank	Given as Collateral	Total
NIT(U)	50,000	-	50,000	50,000	-	50,000
NIT(Govt. Securities Fund)	30,000	-	30,000	30,000	-	30,000
NIT(Islamic Equity Fund)	25,000	-	25,000	25,000	-	25,000
AKD Cash Fund	-	-	-	-	-	-
MCB Dynamic Cash Fund	25,000	-	25,000	25,000	-	25,000
	130,000	-	130,000	130,000	-	130,000

Rupees in "000"

Held to Maturity Securities

Federal Government Security

Pakistan Investment Bonds

Term Finance Certificates

PACE Pakistan Limited

Investment at Cost

	446,873		446,873	446,873	-	446,873
	49,940	-	49,940	49,940	-	49,940
	496,813	-	496,813	496,813	-	496,813
Investment at Cost	626,813	-	626,813	626,813	-	626,813
Less:- Provision for Diminution in value	(49,940)	-	(49,940)	(49,940)	-	(49,940)
	576,873	-	576,873	576,873	-	576,873
Add:- Surplus on revaluation of available for sale securities-net	30,494	-	30,494	27,875	-	27,875
Total Investment at market Value	607,367	-	607,367	604,748	-	604,748

March 31, 2017 (Un-Audited)	December 31, 2016 Audited)
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Rupees in "000"

7. ADVANCES

Consumer Finance

- Car finance
- Finance against salary
- Personal Loans
- Gold Loan
- Home Appliances

Running finance

Demand finance

AKSIC

House Finance

Auto Finance

Healthcare Services finance

Tourism Finance

Micro/SME Finance

Agriuculture Loan

Staff Finance

Margin Financing

Advances Gross

Provision for non performing Loans and advances

- Specific Provision
- General Provision

Advances net of Provision

21,912	20,756
1,211,020	1,224,737
82,337	83,449
166,886	169,275
1,406	980
477,877	506,659
14,844	16,822
267,500	302,059
25,122	27,940
919	1,059
4,382	4,572
1,299	1,404
56,763	69,220
302,862	327,645
86,647	82,576
2,721,776	2,839,153
-	-
2,721,776	2,839,153
(147,528)	(172,313)
(59,060)	(57,410)
(206,588)	(229,723)
2,515,188	2,609,430

March 31, 2017 (Un-Audited)		December 31, 2016 Audited)
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Rupees in "000"

8 CONTINGENCIES AND COMMITMENTS

8.1 Direct Credit Substitutes

-Guarantee in favour of
Government
Others

2,330

2,330

-

-

2,330

2,330

8.2 Commitments to extend credit

316,033

283,995

8.3 Bills for collection

17,341

69,963

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

9. RELATED PARTY TRANSACTIONS

9.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. The Government of Azad Jammu and Kashmir holds directly and indirectly bank's entire share capital at the Quarter end, therefore all of its departments are related parties of the Bank. Also the bank has related party relationship with its directors, key management personnel, entities over which the directors are able to exercise significant influence.

9.2 Details of transactions with related parties and balances with them at the end of the period were as follows:-

March 31, 2017 (Un-Audited)		December 31, 2016 Audited)
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Rupees in "000"

Deposit Outstanding

4,454,124

3,665,349

Advances Outstanding

238,615

250,500

Mark-up/return/interest Expensed on Deposits

40,992

212,290

Mark-up/return/interest Earned on Advances

5,359

27,755

Mark-up/return/interest payable on Deposits

16,432

25,829

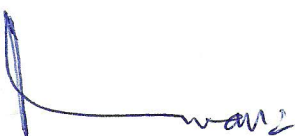
Mark-up/return/interest Accrued on Advances

1,787

1,872

10. DATE OF AUTHORIZATION


These financial statements were authorised for issue by the Board of Directors of the Bank on _____.



Managing Director



Director



Director