

THE BANK OF AZAD JAMMU AND KASHMIR

CONDENSED INTERIM FINANCIAL INFORMATION

**FOR THE HALF YEAR ENDED
JUNE 30, 2017**

DRAFT INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of the Bank of Azad Jammu and Kashmir ("the Bank") as at June 30, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2017 and June 30, 2016 have not been reviewed, as we are required to review only cumulative figures for the half year ended June 30, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial information of the Bank for the half year ended June 30, 2016 was reviewed and the annual financial statements for the year ended December 31, 2016 were audited by another firm of Chartered Accountants who had expressed unmodified conclusion and opinion vide their reports dated November 02, 2016 and June 07, 2017 respectively.

Chartered Accountants

Engagement Partner:
Shahzad Ali

Date:
Islamabad

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

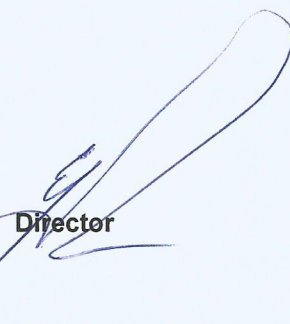
		(Un-audited) June 30, 2017	(Audited) December 31, 2016
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		1,603,249	1,299,452
Balances with other banks		4,931,008	3,843,415
Lendings to financial institutions		-	-
Investments	8	576,453	604,748
Advances	9	2,463,058	2,609,430
Operating fixed assets	10	118,022	115,638
Deferred tax asset	11	19,295	13,386
Other assets		653,619	450,252
		10,364,704	8,936,321
LIABILITIES			
Bills payable		49,193	8,716
Borrowings from financial institutions		-	-
Deposits and other accounts	12	9,059,198	7,845,625
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		225,689	132,659
		9,334,080	7,987,000
NET ASSETS		1,030,624	949,321
REPRESENTED BY:			
Share capital	13	848,920	785,977
Reserves		-	-
Unappropriated profit		181,977	145,225
		1,030,897	931,202
Surplus on revaluation of assets - net of tax		(273)	18,119
		1,030,624	949,321
CONTINGENCIES AND COMMITMENTS			

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Chairman


Managing Director


Director


Director

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

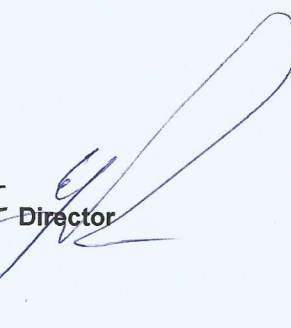
		June 30, 2017		June 30, 2016	
		For the quarter ended	For the half year ended	For the quarter ended	For the half year ended
	Note	(Rupees in '000)			
Mark-up / Return / Interest earned	15	222,596	426,245	211,646	414,994
Mark-up / Return / Interest expensed		83,648	162,376	83,850	174,742
Net mark-up / Interest income		138,948	263,869	127,796	240,252
Provision against non-performing loans and advances		(37,533)	(61,519)	3,139	6,343
Provision for diminution in value of investments		-	-	-	-
Bad debts written off directly		-	-	-	-
		(37,533)	(61,519)	3,139	6,343
Net mark-up / Interest income after provisions		176,481	325,388	124,657	233,909
Non Mark-up / Interest Income					
Fee, commission and brokerage income		4,562	8,249	4,992	9,365
Dividend income		-	-	11,643	11,643
Income from trading in government securities		-	-	-	-
Income from dealing in foreign currencies		-	-	-	-
Gain on sale of securities	16	26,740	26,740	-	4,270
Other income		636	1,240	3,333	4,242
Total non-markup / interest income		31,938	36,229	19,968	29,520
		208,419	361,617	144,625	263,429
Non Mark-up / Interest Expense					
Administrative expenses		94,730	170,026	87,607	155,799
Other provisions / write offs		-	-	-	-
Other charges		-	-	-	-
Total non-markup / interest expenses		94,730	170,026	87,607	155,799
		113,689	191,591	57,018	107,630
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		113,689	191,591	57,018	107,630
Taxation - Current		39,279	66,545	19,832	37,546
- Prior years		5,702	5,702	5,542	5,542
- Deferred		3,994	3,994	132	132
		48,975	76,241	25,506	43,220
Profit after taxation		64,714	115,350	31,512	64,410
Earning Per Share - Rupees	18	0.76	1.36	0.37	0.76

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Chairman


Managing Director


Director


Director

**THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017**

	June 30, 2017		June 30, 2016	
	For the quarter ended	For the half year ended	For the quarter ended	For the half year ended
	(Rupees in '000)			
Profit after taxation	64,714	115,350	31,512	64,410
Other comprehensive income				
Components of comprehensive income not reflected in equity				
<i>Items that are or may be reclassified subsequently to profit and loss account</i>				
Surplus / (Deficit) on revaluation of available for sale securities	(32,324)	(28,295)	3,693	(1,782)
Deferred tax credit / (expense) for the period	11,313	9,903	(1,293)	624
	(21,011)	(18,392)	2,400	(1,158)
Total comprehensive income for the period	43,703	96,958	33,912	63,252

Surplus / (deficit) arising on revaluation of "available for sale securities - net of tax" has been shown in the Statement of Comprehensive Income in order to comply with the revised "Prudential Regulations for Corporate / Commercial Banking" issued by the State Bank of Pakistan.

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Chairman


Managing Director


Director


Director

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2017

	Share capital	Unappropriated profit	Total
	Rupees in '000		
Balance as at January 01, 2016 (Audited)	785,977	94,519	880,496
<i>Total comprehensive income for the half year ended June 30, 2016</i>			
Net profit for the period	-	64,410	64,410
Other comprehensive income	-	-	-
	-	64,410	64,410
Balance as at June 30, 2016 (Un-audited)	785,977	158,929	944,906
<i>Total comprehensive income for the half year ended December 31, 2016</i>			
Net profit for the period	-	(13,704)	(13,704)
Other comprehensive income	-	-	-
	-	(13,704)	(13,704)
Balance as at December 31, 2016 (Audited)	785,977	145,225	931,202
<i>Total comprehensive income for the half year ended June 30, 2017</i>			
<i>Transaction with owners recorded directly in equity</i>			
Issuance of bonus shares	62,943	(62,943)	-
Cash dividend	-	(15,655)	(15,655)
Net profit for the period	-	115,350	115,350
Other comprehensive income	-	-	-
	-	115,350	115,350
Balance as at June 30, 2017 (Un-audited)	848,920	181,977	1,030,897

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Chairman


Managing Director


Director


Director

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	(Rupees in '000)	
Cash flow from operating activities		
Profit before taxation	191,591	107,630
Less: dividend income	-	11,643
	191,591	95,987
Adjustments:		
Depreciation	10,751	10,756
Provision against non-performing loans and advances	(61,519)	6,343
Gain on sale of operating fixed asset	-	(1,840)
Amortization of deferred government grant	-	-
	(50,768)	15,259
	140,823	111,246
(Increase) / decrease in operating assets		
Advances	207,891	12,845
Other assets (excluding advance taxation)	(207,023)	(163,785)
	868	(150,940)
Increase / (decrease) in operating liabilities		
Bills payable	40,477	2,983
Other liabilities (excluding current taxation)	84,630	22,854
Deposits and other accounts	1,213,573	157,742
	1,338,680	183,579
Cash generated from operations	1,480,371	143,885
Income tax paid	(60,191)	(66,834)
Net cash flow from operating activities	1,420,180	77,051
Cash flow from investing activities		
Investment in available for sale securities - net	-	(35,000)
Investment in held-to-maturity securities - net	-	(3,152)
Dividend income	-	11,643
Investment in operating fixed assets	(13,135)	(8,733)
Sale proceeds of operating fixed assets	-	1,840
Net cash used in investing activities	(13,135)	(33,402)
Cash flow from financing activities		
Dividend paid during the period	(15,655)	-
	(15,655)	-
Increase in cash and cash equivalents	1,391,390	43,649
Cash and cash equivalents at beginning of the period	5,142,867	4,017,716
Cash and cash equivalents at end of the period	6,534,257	4,061,365

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The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Chairman


Managing Director


Director


Director

THE BANK OF AZAD JAMMU AND KASHMIR
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 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 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 period end.

The Bank has 65 branches (December 2016: 65 branches; June 2016: 64 branches) in Azad Jammu and Kashmir.

2. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except for certain investments which have been marked to market and carried at fair value.

3. STATEMENT OF COMPLIANCE

This condensed interim financial information for the half year ended June 30, 2017 is un-audited, and has been prepared in accordance with the requirements of the Act, its Bye-Laws and approved accounting standards as applicable in Pakistan, for Banking Companies. Bye-Laws requires 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 Companies Ordinance, 1962.

International Accounting Standard 39, "Financial Instruments: Recognition and Measurement", International Accounting Standard 40, "Investment Property" and International Financial Reporting Standard 7, "Financial Instruments: Disclosure" are not applicable to Banking Companies in Pakistan. Accordingly, the requirements of these Standards have not been considered in the preparation of these financial statements. Accordingly, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

4. BASIS OF PRESENTATION

The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan (SBP) vide BSD Circular Letter No. 2, dated May 12, 2004 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, 2016.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Bank, for the year ended December 31, 2016.

Amendments and interpretations to approved accounting standards effective from January 01, 2017 are not expected to have material impact on this condensed interim financial information.

6. ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Bank for the year December 31, 2016.

7. FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Bank are consistent with those disclosed in the financial statements of the Bank for the year ended December 31, 2016.

8. INVESTMENTS

	As at June 30, 2017 (Un-audited)			As at December 31, 2016 (Audited)		
	Held by the	Given as	Total	Held by the	Given as	Total
	Bank	collateral		Bank	collateral	
	(Rupees in '000)			(Rupees in '000)		
Available-for-sale securities						
Units of open end mutual funds	130,000	-	130,000	130,000	-	130,000
Held-to-maturity securities						
Pakistan Investment Bonds	446,873	-	446,873	446,873	-	446,873
Term Finance Certificates	49,940	-	49,940	49,940	-	49,940
	496,813	-	496,813	496,813	-	496,813
Investments at cost	626,813	-	626,813	626,813	-	626,813
Provision for diminution in value of investments	(49,940)	-	(49,940)	(49,940)	-	(49,940)
Investments (net of provision)	576,873	-	576,873	576,873	-	576,873
Surplus on revaluation of available for sale securities - net	(420)	-	(420)	27,875	-	27,875
Total investment at market value	576,453	-	576,453	604,748	-	604,748

9. ADVANCES

(Un-audited) (Audited)
June 30, 2017 December 31, 2016
(Rupees in '000)

Loans, cash credits, running finances, etc.

In Pakistan (Azad Jammu and Kashmir)

Running and demand finance	741,994	860,515
Agriculture finance loans	280,673	327,643
Micro finance loans	48,657	69,220
Consumer finance loans	1,470,367	1,499,199
Staff loans	89,571	82,576
Advances - gross	2,631,262	2,839,153

Provision for non-performing loans and advances

Specific provision	(108,734)	(172,313)
General provision	(59,470)	(57,410)
	(168,204)	(229,723)
Advances - net of provision	2,463,058	2,609,430

9.1 Particulars of provision against non-performing loans and advances

	June 30, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)			(Rupees in '000)		
Opening balance	172,313	57,410	229,723	94,059	56,804	150,863
Charge for the period / year	(63,579)	2,060	(61,519)	79,105	606	79,711
Amount charged off - agri loans	-	-	-	(851)	-	(851)
Closing balance	108,734	59,470	168,204	172,313	57,410	229,723

- 9.2 Advances include Rs. 291.083 million (December 2016: Rs 397.445 million) which have been placed under non-performing status as detailed below:

Category of classification	As at June 30, 2017 (Un-audited)				
	Classified Advances			Provision Required	Provision held
	Domestic	Overseas	Total (Rupees in '000)		
Other Assets Especially					
Mentioned - note 9.2.1	54,868	-	54,868	-	-
Substandard	83,007	-	83,007	16,371	16,371
Doubtful	24,726	-	24,726	10,007	10,007
Loss	128,482	-	128,482	82,356	82,356
	291,083	-	291,083	108,734	108,734

Category of classification	As at December 31, 2016 (Audited)				
	Classified Advances			Provision Required	Provision held
	Domestic	Overseas	Total (Rupees in '000)		
Other Assets Especially					
Mentioned - note 9.2.1	85,290	-	85,290	-	-
Substandard	111,155	-	111,155	22,504	22,504
Doubtful	46,195	-	46,195	22,506	22,506
Loss	154,805	-	154,805	127,303	127,303
	397,445	-	397,445	172,313	172,313

- 9.2.1 This represents classification made for agricultural finance loans.

10. OPERATING FIXED ASSETS

Capital work in progress
Property and equipment

Note	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	(Rupees in '000)	
	9,156	954
10.1	108,866	114,684
	118,022	115,638

10.1 Property and equipments

Book value as at December 31, 2016
Additions during the period / year - cost
Deletions during the period / year
Depreciation charge for the period / year
Book value as at June 30, 2017

	114,684	123,803
	4,933	14,065
	-	(208)
	(10,751)	(22,976)
	108,866	114,684

11. DEFERRED TAX ASSET

Deferred tax arising due to:

Tax depreciation

Provision against other receivables

Provision for customers claims

Provision against leave encashment

Provision against non-performing advances classified in sub-standard category

	869	2,966
	1,685	1,685
	8,064	8,865
	2,800	1,750
	5,730	7,876
	19,148	23,142
	147	(9,756)
	19,295	13,386

Surplus on revaluation of available for sale securities

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	(Rupees in '000)	
12. DEPOSITS AND OTHER ACCOUNTS		
Fixed deposits	2,912,129	2,633,125
Savings deposits	3,834,868	3,521,083
Current accounts - non remunerative	2,293,649	1,690,694
Others	18,552	723
	<u>9,059,198</u>	<u>7,845,625</u>

13. SHARE CAPITAL

Increase in share capital represents issue of 6,294,324 bonus shares by the Bank to Government of Azad Jammu and Kashmir.

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	(Rupees in '000)	
14. CONTINGENCIES AND COMMITMENTS		
14.1 Commitments to extend credit - Guarantees in favour of others	<u>-</u>	<u>2,330</u>
14.2 Commitments to extend credit	<u>323,355</u>	<u>283,995</u>
14.3 Bills for collection	<u>51,188</u>	<u>69,963</u>

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

	(Un-audited) June 30, 2017	(Un-audited) June 30, 2016
	(Rupees in '000)	
15. MARK-UP / RETURN / INTEREST EARNED		
On loans and advances to customers	185,709	213,282
On investment in held to maturity securities	26,654	58,596
On deposits with financial institutions	213,882	143,116
	<u>426,245</u>	<u>414,994</u>

16. GAIN ON SALE OF SECURITIES

This represents gain on disposal of available for sale investments in units of listed mutual funds.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

17.1 The fair values of traded investments are based on quoted market prices, except for tradable securities classified as 'held-to-maturity' which are carried at amortized cost.

Fair value of fixed-term loans and deposits, other assets and other liabilities cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.3 to the annual financial statements for the year ended December 31, 2016.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are either short-term in nature or, in the case of financings and deposits, are periodically repriced.

- 17.2 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: Quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) available at MUFAP, Reuters page, Redemption prices and determined by valuers on the panel of Pakistan Banker's Association; and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows).

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP.

June 30, 2017 (Un-audited)				
Financial assets:	Level 1	Level 2	Level 3	Total
Available-for-sale securities (Rupees in '000)			
Units of mutual funds	-	129,580	-	129,580
December 31, 2016 (Audited)				
Financial assets:	Level 1	Level 2	Level 3	Total
Available-for-sale securities (Rupees in '000)			
Units of mutual funds	-	157,845	-	157,845

The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels during the period / year.

	(Un-audited) June 30, 2017		(Un-audited) June 30, 2016	
	For the quarter ended	For the half year ended	For the quarter ended	For the half year ended
13. BASIC/ DILUTED EARNINGS PER SHARE (Rupees in '000)			
Profit after taxation	64,714	115,350	31,512	64,410
Number of shares in thousands (Restated)				
Weighted average number of Ordinary Shares	84,892	84,892	84,892	84,892
Basic/ diluted earnings per share	0.76	1.36	0.37	0.76

- 13.1 The comparative figures of weighted average number of shares outstanding and earnings per share have been restated to include the effect of bonus shares issued by the bank during the period.

	(Un-audited) June 30, 2017	(Un-audited) June 30, 2016
13. CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	1,603,249	1,162,650
Balances with other banks	4,931,008	2,898,715
	6,534,257	4,061,365

20. 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	Total
..... Rupees in '000							
For the half year ended June 30, 2017 (Un-audited)							
Total income	-	-	121,521	332,815	6,251	1,887	462,474
Total expenses	-	-	34,048	233,844	2,298	693	270,883
Net income (loss)	-	-	87,473	98,971	3,953	1,194	191,591
For the half year ended June 30, 2016 (Un-audited)							
Total income	-	-	127,530	307,671	7,451	1,862	444,514
Total expenses	-	-	51,041	282,578	2,612	653	336,884
Net income (loss)	-	-	76,488	25,092	4,841	1,209	107,630
As at June 30, 2017 (Un-audited)							
Segment Assets (Gross)	-	-	1,552,413	8,805,299	5,370	1,622	10,364,704
Segment Non Performing Loans	-	-	291,083	-	-	-	291,083
Segment Provision Required	-	-	108,734	-	-	-	108,734
Segment Liabilities	-	-	22,829	9,311,150	78	23	9,334,080
Segment Return on net Assets (ROA) (%)	-	-	1.26%	3.45%	0.06%	0.02%	
Segment Cost of funds (%)	-	-	39.00%	2.69%	0.03%	0.01%	
As at December 31, 2016 (Audited)							
Segment Assets (Gross)	-	-	1,643,155	7,568,533	8,196	915	9,220,799
Segment Non Performing Loans	-	-	397,445	-	-	-	397,445
Segment Provision Required	-	-	229,723	49,940	4,815	-	284,478
Segment Liabilities	-	-	14,020	7,972,942	30	8	7,987,000
Segment Return on net Assets (ROA) (%)	-	-	2.85%	6.83%	0.16%	0.04%	
Segment Cost of funds (%)	-	-	2.64%	7.18%	0.07%	0.02%	

Assumptions used:

- Administrative expenses have been allocated to segments based on respective segment income.

21. RELATED PARTY TRANSACTIONS

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 year end, therefore all of its departments are related parties of the Bank. Also the Bank has related party relationships with its directors, key management personnel, entities over which the directors are able to exercise significant influence.

Details of balances due to / from related parties at the period end and transactions with them during the period are as follows:

	Key management personnel	Directors	Government of Azad Jammu and Kashmir and its related departments	Key management personnel	Directors	Government of Azad Jammu and Kashmir and its related departments	Employee Funds
	As at June 30, 2017 (Un-audited)			As at December 31, 2016 (Audited)			
			(Rupees in '000')				
Balances outstanding at the period / year end							
- Advances at the period / year end	36,508	-	226,187	22,611	-	250,500	-
- Deposits at the period / year end	842	-	4,455,901	355	-	3,665,349	9,822
- Mark-up / return / interest accrued	-	-	37,885	-	-	1,872	-
- Mark-up / return / interest payable	-	-	1,641	-	-	25,829	-
Transactions during the period							
	For the half year ended June 30, 2017 (Un-audited)			For the half year ended June 30, 2016 (Un-audited)			
- Net mark-up / interest expensed	5	-	457,331	146	-	87,823	-
- Mark-up/ interest earned	1,084	-	10,342	707	-	16,211	73
- Contributions to defined contribution plan	-	-	-	-	-	-	1,955
- Contributions to defined gratuity fund	-	-	-	-	-	-	2,434
- Fee paid	-	382	-	-	271	-	-
- Dividend paid during the period / year	-	-	15,655	-	-	-	-
- Bonus shares issued during the period / year	-	-	62,943	-	-	-	-

22. DATE OF AUTHORISATION

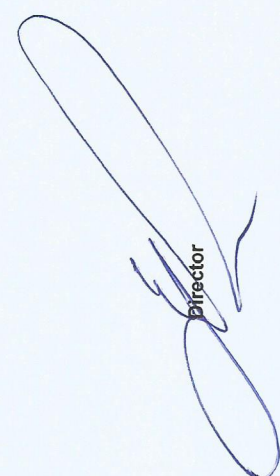
This condensed interim financial information was authorized for issue by the Board of Directors on September 13, 2017.

dya


Chairman


Managing Director


Director


Director