

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

		(Un-audited)	(Audited)
	Note	September 30, 2020	December 31, 2019
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks	5	3,282,703	3,005,671
Balances with other banks	6	9,115,779	7,308,507
Lendings to financial institutions		-	-
Investments	7	177,479	178,401
Advances	8	1,819,532	2,036,826
Fixed assets	9	221,866	238,881
Intangible assets		-	-
Deferred tax assets	10	19,869	22,426
Other assets	11	1,109,447	775,623
		15,746,675	13,566,335
LIABILITIES			
Bills payable	12	49,568	21,148
Borrowings		-	-
Deposits and other accounts	13	13,835,022	11,873,535
Liabilities against assets subject to finance lease		112,467	122,388
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	14	394,961	322,201
		14,392,018	12,339,272
NET ASSETS		1,354,657	1,227,063
REPRESENTED BY			
Share capital		1,129,911	1,027,192
Reserves		-	-
(Deficit) on revaluation of assets	15	(17,888)	(17,289)
Unappropriated profit		242,634	217,161
		1,354,657	1,227,063
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.


 President/CEO


 Chief Financial Officer


 Director


 Director


 Director

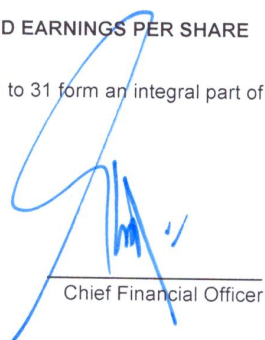
THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	Note	For the quarter ended Sep. 30, 2020	For the quarter ended Sep. 30, 2019	For the Nine months ended Sep. 30, 2020	For the Nine months ended Sep. 30, 2019
Rupees in '000					
Mark-up / return / interest earned	17	411.737	353.931	1,157.024	879.385
Mark-up / return / interest expensed	18	<u>175.538</u>	<u>174.349</u>	<u>574.467</u>	<u>482.638</u>
Net mark-up/interest income		236.199	179.582	582.557	396.747
NON MARK-UP/INTEREST INCOME					
Fee and commission income	19	4.786	3.898	12.255	11.962
Dividend income		8.372	6.010	9.187	7.453
Foreign exchange income		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	20	-	-	-	-
Other income	21	<u>2,318</u>	<u>423</u>	<u>4,015</u>	<u>2,124</u>
Total non-markup/interest Income		15.476	10.331	25.457	21.539
Total Income		<u>251.675</u>	<u>189.913</u>	<u>608.014</u>	<u>418.286</u>
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	22	117.659	120.151	365.024	336.185
Workers welfare fund		-	-	-	-
Other charges		-	-	-	-
Total non-markup/interest expenses		117.659	120.151	365.024	336.185
Profit before provisions		<u>134.016</u>	<u>69.762</u>	<u>242.990</u>	<u>82.101</u>
Provisions and write offs - net	23	6.182	(10.116)	23.693	(1.835)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		<u>127.834</u>	<u>79.878</u>	<u>219.297</u>	<u>83.936</u>
Taxation	24	53.655	33.130	91.105	42.801
PROFIT/(LOSS) AFTER TAXATION		<u><u>74.179</u></u>	<u><u>46.748</u></u>	<u><u>128.192</u></u>	<u><u>41.135</u></u>
-----Rupees-----					
		Restated		Restated	
BASIC AND DILUTED EARNINGS PER SHARE	25	<u>0.66</u>	<u>0.41</u>	<u>1.13</u>	<u>0.36</u>

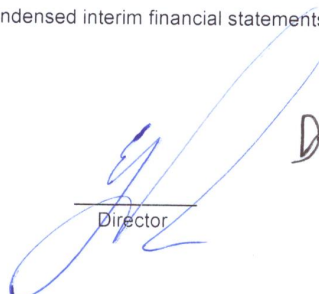
The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.



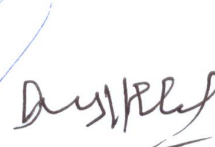
President/CEO



Chief Financial Officer



Director



Director

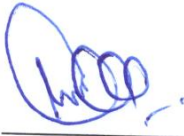



Director

THE BANK OF AZAD JAMMU AND KASHMIR
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	For the quarter ended Sep. 30, 2020	For the quarter ended Sep. 30, 2019	For the Nine months ended Sep. 30, 2020	For the Nine months ended Sep. 30, 2019
	----- (Rupees in '000) -----			
Profit after taxation for the period	38,099	-	128,192	-
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	(8,764)	-	(599)	-
Total comprehensive income	<u>29,335</u>	<u>-</u>	<u>127,593</u>	<u>-</u>

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 President/CEO


 Chief Financial Officer


 Director


 Director


 Director

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Note	September 30, 2020	September 30, 2019
Rupees in '000		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	219,297	19,946
Less: Dividend income	9,187	-
	210,110	19,946
Adjustments:		
Depreciation	18,144	5,603
Depreciation on right-of-use assets	21,108	-
Mark-up / return / interest expensed on lease liability against right-of-use assets	10,779	-
Provision and write-offs	23,693	(10,442)
(Gain) on sale of fixed assets	1,030	-
	74,754	(4,839)
(Increase)/ Decrease in operating assets	284,864	15,107
Advances	193,601	16,298
Others assets (excluding advance taxation)	(358,869)	(125,626)
	(165,268)	(109,328)
Increase/ (Decrease) in operating liabilities		
Bills Payable	28,420	32,320
Deposits	1,961,487	(797,964)
Other liabilities (excluding current taxation)	44,171	89,730
	2,034,078	(675,914)
Income tax paid	(56,928)	(26,563)
Net cash flow generated from operating activities	2,096,745	(796,698)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	-	-
Dividends received	9,187	-
Investments in operating fixed assets	(1,958)	(78)
Proceeds from sale of fixed assets	1,030	-
Net cash flow (used in) investing activities	8,259	(78)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Payment of lease liability against right-of-use assets	(20,700)	-
Dividend paid	-	-
Net cash flow from / (used in) financing activities	(20,700)	-
Increase / (Decrease) in cash and cash equivalents	2,084,304	(796,776)
Cash and cash equivalents at beginning of the period	10,314,178	9,406,659
Cash and cash equivalents at end of the period	12,398,482	8,609,883

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 Director


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THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

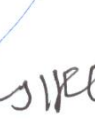
	Share Capital	Surplus/ (deficit) on revaluation of investments	Unappropriated profit	Total
Rupees in '000				
Balance as at December 31, 2019	933,811	(18,935)	238,712	1,153,588
Profit after taxation for the Nine month ended September 30, 2019	-	-	41,135	41,135
Other comprehensive income - net of tax	-	(16,978)	-	(16,978)
Transactions with owners, recorded directly in equity				
Issue of bonus shares	93,381	-	(93,381)	-
Balance as at September 30, 2019	<u>1,027,192</u>	<u>(35,913)</u>	<u>186,466</u>	<u>1,177,745</u>
Profit after taxation for the quarter ended December 31, 2019	-	-	30,695	30,695
Other comprehensive income - net of tax	-	18,624	-	18,624
Transactions with owners, recorded directly in equity				
Issue of share capital	-	-	-	-
Balance as at December 31, 2019	<u>1,027,192</u>	<u>(17,289)</u>	<u>217,161</u>	<u>1,227,064</u>
Profit / (loss) after taxation for the current period			128,192	128,192
Other comprehensive income - net of tax		(599)		(599)
Transactions with owners, recorded directly in equity				
Issue of bonus shares	102,719	-	(102,719)	-
Balance as at September 30, 2020	<u>1,129,911</u>	<u>(17,888)</u>	<u>242,634</u>	<u>1,354,657</u>

The annexed notes 1 to 31 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
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

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 70 branches (December 2019: 70 branches; September 2019: 70 branches) in Azad Jammu and Kashmir.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements for the nine months ended September 30, 2020 are un-audited, and have been prepared in accordance with the requirements of the Act, its Bye-Laws and accounting and reporting standards as applicable in Pakistan for interim financial

The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB); and
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and directives issued by the State Bank of Pakistan (SBP).

Wherever the requirements of the Act, its byelaws, the Banking Companies Ordinance, 1962, or the directives issued by the SBP differ with the requirements of IFRS, the requirements of the Act, its byelaws, the Banking Companies Ordinance, 1962 and the directives 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, 2019.

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

The following new standards and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	Effective date (annual periods beginning on or after)
- IFRS 3, Business Combinations (Amendments)	January 1, 2020
- IAS 1, Presentation of Financial Statements (Amendments)	January 1, 2020
- IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2020
	Effective date (annual periods beginning on or after)
- IFRS 9, Financial Instruments	January 01, 2021

IFRS 9, Financial Instruments, addresses the recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of an impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk. The Bank is in the process of assessing the full impact of this standard.

The Bank expects that adoption of the remaining amendments will not affect its financial statements in the period of initial application.

3.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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, 2019.

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, 2019.

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, 2019.

	(Un-audited)	(Audited)
	September 30, 2020	December 31, 2019
	Rupees in '000	
5 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	144,729	120,859
With National Bank of Pakistan in		
Local currency current accounts	24,743	25,232
Local currency deposit account	63,231	99,580
Local currency Term deposit accounts	3,050,000	2,760,000
	3,137,974	2,884,812
Prize bonds	-	-
	<u>3,282,703</u>	<u>3,005,671</u>

6 BALANCES WITH OTHER BANKS

In Pakistan (Azad Jammu and Kashmir)
In current accounts
In deposit accounts

161,290	130,061
8,954,489	7,178,446
9,115,779	7,308,507

	(Un-audited)				(Audited)			
	September 30, 2020				December 31, 2019			
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 fund	205,000	-	(27,521)	177,479	205,000	-	(26,599)	178,401
Held-to-maturity securities								
Term finance certificates - note	49,940	(49,940)	-	-	49,940	(49,940)	-	-
Total Investments	254,940	(49,940)	(27,521)	177,479	254,940	(49,940)	(26,599)	178,401

	(Un-audited)	(Audited)
	September 30, 2020	December 31, 2019
	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	<u>49,940</u>	<u>49,940</u>

7.2.2 Particulars of provision against debt securities

	(Un-audited)		(Audited)	
Category of classification	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
	NPI	Provision	NPI	Provision
Domestic				
Loss	49,940	(49,940)	49,940	(49,940)
Total	<u>49,940</u>	<u>(49,940)</u>	<u>49,940</u>	<u>(49,940)</u>

8 ADVANCES

	Performing		Non Performing		Total	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
	Rupees in '000					
Loans, cash credits, running finances, etc.	1,799,321	1,993,166	215,864	215,620	2,015,185	2,208,786
Advances - gross	1,799,321	1,993,166	215,864	215,620	2,015,185	2,208,786
Provision against advances						
- Specific	-	-	(146,844)	(130,093)	(146,844)	(130,093)
- General	(48,809)	(41,867)	-	-	(48,809)	(41,867)
Advances - net of provision	1,750,512	1,951,299	69,020	85,527	1,819,532	2,036,826

(Un-audited) (Audited)
September 30, 2020 December 31, 2019

8.1 Particulars of advances (Gross)

In local currency 2,015,185 2,189,233

8.2 Advances include Rs. 215864 thousand (2019: 215,620 thousand) which have been placed under non-performing status as detailed below:-

Category of Classification	(Un-audited)		(Audited)	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
Domestic	2,796	-	4,986	-
Other Assets Especially Mentioned	21,385	2,585	23,946	3,987
Substandard	12,684	1,883	15,681	5,092
Doubtful	178,999	142,376	171,007	121,014
Loss	215,864	146,844	215,620	130,093
Total				

8.3 Particulars of provision against advances

	(Un-audited)			(Audited)		
	September 30, 2020	December 31, 2019		September 30, 2020	December 31, 2019	
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	130,093	41,867	171,960	112,203	48,092	160,295
Charge for the period / year	25,575	6,942	32,517	48,673	-	48,673
Reversals	(8,824)	-	(8,824)	(30,783)	(6,225)	(37,008)
	16,751	6,942	23,693	17,890	(6,225)	11,665
Closing balance	146,844	48,809	195,653	130,093	41,867	171,960

8.3.1 Particulars of provision against advances

	(Un-audited)			(Audited)		
	September 30, 2020	December 31, 2019		September 30, 2020	December 31, 2019	
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	146,844	48,809	-	130,093	41,867	171,960
	146,844	48,809	-	130,093	41,867	171,960

(Un-audited) (Audited)
September 30, 2020 December 31, 2019

9 FIXED ASSETS

Capital work-in-progress	9.1	220	932
Property and equipment	9.2	221,646	237,949
		221,866	238,881

9.1 Capital work-in-progress

Advances to suppliers 220 932

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

9.2 This includes right-of-use assets amounting to Rs. 101,345 thousand (2019 : 121,102) due to adoption of IFRS 16.

		(Un-audited)	(Un-audited)
		September	September
		30, 2020	30, 2019
		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	(712)	(191)
	Property and equipment		
	Freehold land	-	-
	Building on freehold land	67	665
	Leasehold Improvements	886	897
	Furniture and fixture	1,717	2,459
	Electrical office and computer equipment	-	-
	Vehicles	-	-
	Others	-	-
		2,670	4,021
	Right-of-use assets	-	91,926
	Total	1,958	95,756
		(Un-audited)	Audited
		September	December 31,
		30, 2020	2019
		Rupees in '000	
10	DEFERRED TAX ASSETS		
	Deductible Temporary Differences on		
	- Accelerated tax depreciation	5,450	8,330
	- Provision against receivable from Kashmir Council	1,685	1,685
	- Provision against customer claims	3,101	3,101
	- Deficit on revaluation of investments	9,632	9,310
		19,869	22,426
	Net deferred tax assets	19,869	22,426
11	OTHER ASSETS		
	Income/ mark-up accrued in local currency - net of provision - note 11.1	1,067,919	752,590
	Advances, deposits, advance rent and other prepayments	2,944	1,254
	Advance taxation (payments less provisions)	-	2,706
	Branch adjustment account	30,267	11,180
	Stationery and stamps in hand	3,483	1,926
	Others	9,649	10,782
		1,114,262	780,438
	Less: Provision held against other assets	(4,815)	(4,815)
	Other Assets (Net of Provision)	1,109,447	775,623
11.1	This includes an amount of Rs. NIL (2019: Rs. 1,520 thousand) on account of interest receivable from a related party.		
11.2	Provision held against other assets		
	Receivable from Kashmir Council	(4,815)	4,815
		(Un-audited)	Audited
		September	December 31,
		30, 2020	2019
		Rupees in '000	
12	BILLS PAYABLE		
	In Pakistan	49,568	21,148

13 DEPOSITS AND OTHER ACCOUNTS

Customers
Current deposits
Savings deposits
Term deposits
Others

(Un-audited)			Audited		
September 30, 2020			December 31, 2019		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000					
3,130,041	-	3,130,041	2,687,126	-	2,687,126
6,661,785	-	6,661,785	5,934,385	-	5,934,385
4,028,065	-	4,028,065	3,190,638	-	3,190,638
15,131	-	15,131	61,386	-	61,386
13,835,022	-	13,835,022	11,873,535	-	11,873,535

14

OTHER LIABILITIES

Mark-up/ return/ interest payable in local currency - note 15.1
Accrued expenses
Income tax payable
Branch adjustment account
Provision for bonus to employees
Provision against customer claims
Leave encashment
Education cess
Others

(Un-audited)	Audited
September 30, 2020	December 31, 2019
Rupees in '000	
144,691	219,687
92,859	3,779
28,590	-
-	-
15,035	16,264
8,861	8,861
47,300	40,800
9,298	6,008
48,328	26,802
394,951	322,201

14.1 It includes an amount of Rs. 54,233 thousand (2019: Rs. 83,581 thousand) on account of interest payable to related parties.

15 DEFICIT ON REVALUATION OF ASSETS

Deficit on revaluation of
- Available for sale securities

7.1 (27,521) (26,599)

Deferred tax on surplus / (deficit) on revaluation of:
- Available for sale securities

9,632 9,310

(17,889) (17,289)

16 CONTINGENCIES AND COMMITMENTS

-Guarantees
-Commitments
-Bills for collection

16.1	49,622	36,076
16.2	96,446	336,245
16.4	20,563	9,564
	166,631	381,885

16.1 Guarantees:

Financial guarantees

49,622 36,076

September 30, 2020 December 31, 2019
Rupees in '000

16.2 Commitments:

Loan sanctioned but not disbursed
Unavailed running finance

64,824 20,389
31,622 315,856
96,446 336,245

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.

		For the Nine months ended Sep. 30, 2020	For the Nine months ended Sep. 30, 2019
		Rupees in '000	
17	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	202,102	214,985
	b) Investments	-	-
	d) Balances with banks	954,922	664,400
		<u>1,157,024</u>	<u>879,385</u>
18	MARK-UP/RETURN/INTEREST EXPENSED		
	On:		
	a) Deposits	563,688	482,638
	b) Lease liability against right-of-use- assets	10,779	-
		<u>574,467</u>	<u>482,638</u>
19	FEE & COMMISSION INCOME		
	Branch banking customer fees	1,602	1,362
	Commission on cheques books	2,894	2,853
	Credit related fees	2,911	3,297
	Commission on guarantees	559	354
	Commission on remittances	357	247
	Commission on call deposit	1	2
	Commission on utility bills	3,335	3,457
	Postages charges	476	322
	Others	120	68
		<u>12,255</u>	<u>11,962</u>
20	GAIN / (LOSS) ON SECURITIES		
	Realised	20.1	-
20.1	Realised gain on:		
	Mutual Fund Units	-	-
21	OTHER INCOME		
	other Income	4,015	2,124

		For the Nine months ended Sep. 30, 2020	For the Nine months ended Sep. 30, 2019
		Rupees in '000	
22	OPERATING EXPENSES		
	Total compensation expense	227,327	194,444
	Property expense		
	Rent & taxes	19	24,826
	Insurance	1,492	931
	Utilities cost	13,486	13,072
	Security (including guards)	21,191	17,409
	Repair & maintenance (including janitorial charges)	5,106	7,741
	Depreciation on right-of-use assets	21,108	-
	Depreciation on owned fixed assets	6,294	7,666
		68,696	71,645
	Information technology expenses		
	Software maintenance	10,228	8,892
	Hardware maintenance	1,382	1,174
	Depreciation	4,951	6,116
	Network charges	4,577	3,967
		21,138	20,149
	Other operating expenses		
	Directors' fees and allowances	2,809	1,668
	Legal & professional charges	272	1,325
	Travelling & conveyance	8,278	12,652
	Depreciation	6,899	7,623
	Entertainment	5,707	5,865
	Training & development	242	817
	Postage & courier charges	2,268	2,127
	Communication	2,494	2,852
	Stationery & printing	7,173	4,894
	Marketing, advertisement & publicity	561	719
	Auditors Remuneration	1,724	1,559
	Others	9,436	7,846
		47,863	49,947
		365,024	336,185
		For the Nine months ended Sep. 30, 2020	For the Nine months ended Sep. 30, 2019
		Rupees	
23	PROVISIONS & WRITE OFFS - NET		
	(Reversal)/Charge of provisions against loans & advances - net	8.3	23,693
			(1,835)
24	TAXATION		
	Current	88,224	36,071
	Deferred	2,881	6,730
		91,105	42,801
25	BASIC EARNINGS/ (LOSS) PER SHARE		
	Profit for the period	74,179	14,619
	Weighted average number of ordinary shares	112,991	Restated 112,991
	Basic earnings per share	1.13	0.36

26 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

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.

26.1 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 September 30, 2020				
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Mutual Fund	177,479	-	-	177,479

Audited December 31, 2019				
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Mutual Fund	178,401	-	-	178,401

27 Segment details with respect to business activities

For the nine months ended September 30, 2020 (Un-audited)					
	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
	Rupees in '000				
Profit & Loss					
Net mark-up/return/profit	164,405	449,841	-	-	614,246
Non mark-up / return / interest income	106	13,090	8,813	3,335	25,344
Total Income	164,511	462,931	8,813	3,335	639,590
Segment direct expenses	93,889	264,202	5,030	1,903	365,024
Total expenses	93,889	264,202	5,030	1,903	365,024
Provisions charged / (reversal)	16,751	6,942	-	-	23,693
Profit before tax	53,871	191,787	3,783	1,432	250,873

as at September 30, 2020

Balance Sheet

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
Cash & Bank balances	-	12,398,482	-	-	12,398,482
Investments	-	177,479	-	-	177,479
Advances - performing	1,495,766	303,555	-	-	1,799,321
- non-performing	60,232	155,632	-	-	215,864
- provision	95,127	100,526	-	-	195,653
Operating fixed assets	57,067	160,585	3,057	1,157	221,866
Deferred tax asset	-	19,869	-	-	19,869
Others	285,364	803,010	15,287	5,785	1,109,446
Total Assets	1,993,556	14,119,138	18,344	6,942	16,137,980
Bills payable	-	49,568	-	-	49,568
Deposits & other accounts	-	13,835,022	-	-	13,835,022
Others	101,589	285,869	5,442	2,060	394,960
Total liabilities	101,589	14,170,459	5,442	2,060	14,279,550
Equity	1,891,967	(51,321)	12,902	4,882	1,858,430
Total Equity & liabilities	1,993,556	14,119,138	18,344	6,942	16,137,980

Contingencies & Commitments

	85,387	81,244	-	-	166,631
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For the Nine months ended September 30, 2019 (Un-audited)

Profit & Loss

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
Net mark-up/return/profit	156,720	240,027	-	-	396,747
Non mark-up / return / interest income	54	9,509	8,518	3,458	21,539
Total Income	156,774	249,536	8,518	3,458	418,286
Segment direct expenses	126,002	200,557	6,846	2,779	336,185
Total expenses	126,002	200,557	6,846	2,779	336,185
Provisions charged / (reversal)	(3,219)	1,384	-	-	(1,835)
Profit before tax	33,991	47,595	1,672	679	83,936

As at December 31, 2019 (Audited)

Balance Sheet

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
Cash & Bank balances	-	10,432,786	-	-	10,432,786
Investments	-	161,161	-	-	161,161
Advances - performing	1,414,820	586,152	-	-	2,000,972
- non-performing	55,475	176,783	-	-	232,258
- provision	(83,682)	(64,662)	-	-	(148,344)
Operating fixed assets	876	84,919	72,679	41,903	200,377
Deferred tax asset	-	27,495	-	-	27,495
Others	410	609,992	34,057	19,636	664,095
Total Assets	1,387,899	12,014,626	106,736	61,539	13,570,800
Bills payable	-	90,589	-	-	90,589
Deposits & other accounts	-	11,984,567	-	-	11,984,567
Liabilities against assets subject to finance lease	-	-	-	-	-
Others	17,733	317,210	1,303	751	336,997
Total liabilities	17,733	12,392,366	1,303	751	12,412,153
Equity	1,370,166	(377,740)	105,434	60,788	1,158,648
Total Equity & liabilities	1,387,899	12,014,626	106,737	61,539	13,570,801

Contingencies & Commitments

	238,580	134,168	-	-	372,748
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28 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) September 30, 2020		(Audited) December 31, 2019	
	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	210,992	39,176	259,972	45,707
Addition during the period / year	-	2,570	-	-
Repaid during the period / year	(210,992)	-	(48,980)	(6,531)
Closing balance	-	41,746	210,992	39,176
Provision held against advances	-	-	-	-
Other Assets				
Interest / mark-up accrued	-	-	1,520	-
Deposits and other accounts				
Opening balance	4,542,797	9,301	5,068,975	10,840
Received/Withdrawal during the period / year	1,178,249	(6,215)	(526,178)	(1,539)
Closing balance	5,721,046	3,086	4,542,797	9,301
Other Liabilities				
Interest / mark-up payable	54,233	-	83,561	284
Contingencies and Commitments				
Unavailed running finance	-	-	289,008	-

RELATED PARTY TRANSACTIONS

	(Un-audited) For the Nine months ended September 30, 2020		(Un-audited) For the Nine months ended September 30, 2019	
	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	2,330	1,056	15,207	1,244
Expense				
Mark-up / return / interest paid	161,093	64	112,628	51

(Un-audited) (Audited)
September December
30, 2020 31, 2019
Rupees in '000

29 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)

1,372,545	1,244,353
-	-
(17,888)	(17,289)
1,354,657	1,227,063
48,809	41,867
1,403,466	1,268,930

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

5,876,160	4,930,823
354,958	356,802
870,529	1,062,033
7,101,647	6,349,658

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

19.33%	19.60%
19.08%	19.32%
19.76%	19.98%

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio

1,354,657	1,227,063
2,046,633	2,251,303
66%	55%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

12,398,482	10,314,178
3,469,042	2,950,470
357%	350%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

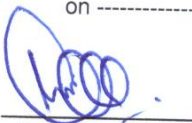
12,529,922	10,658,463
7,378,009	6,585,866
170%	162%

30 GENERAL

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

31 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