




**THE BANK OF AZAD JAMMU AND KASHMIR**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2024**


		(Un-audited)	(Audited)
	Note	March 31, 2024	December 31, 2023
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks	5	8,874,491	8,218,340
Balances with other banks	6	17,240,474	16,532,540
Lendings to financial institutions		-	-
Investments	7	59,103	56,771
Advances	8	4,093,622	3,874,147
Fixed assets	9	452,937	422,748
Intangible assets		-	-
Deferred tax assets	10	34,316	31,984
Other assets	11	3,807,082	3,423,366
		<b>34,562,025</b>	<b>32,559,896</b>
<b>LIABILITIES</b>			
Bills payable	12	15,483	93,259
Borrowings		-	-
Deposits and other accounts	13	25,977,786	24,144,665
Liabilities against assets subject to finance lease		168,290	167,029
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	14	1,773,437	1,723,813
		<b>27,934,996</b>	<b>26,128,766</b>
<b>NET ASSETS</b>		<b>6,627,029</b>	<b>6,431,130</b>
<b>REPRESENTED BY</b>			
Share capital		5,957,089	5,528,621
Reserves		506,859	468,146
Surplus on revaluation of assets	15	3,235	903
Unappropriated profit		159,846	433,460
		<b>6,627,029</b>	<b>6,431,130</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	16		

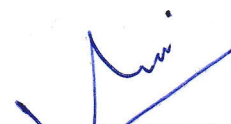
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

  
 \_\_\_\_\_  
 President/CEO

  
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 Chief Financial Officer

  
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 Director


  
 \_\_\_\_\_  
 Director

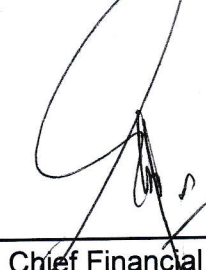
  
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 Director


**THE BANK OF AZAD JAMMU AND KASHMIR  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**


	Note	January to March 2024	January to March 2023
Mark-up / return / interest earned	17	1,457,372	982,430
Mark-up / return / interest expensed	18	<u>791,053</u>	<u>552,435</u>
Net mark-up/interest income		666,319	429,995
<b>NON MARK-UP/INTEREST INCOME</b>			
Fee and commission income	19	9,440	7,127
Dividend income		866	475
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other income	20	<u>1,675</u>	<u>1,298</u>
Total non-markup/interest Income		11,981	8,900
Total Income		<u>678,300</u>	<u>438,895</u>
<b>NON MARK-UP/INTEREST EXPENSES</b>			
Operating expenses	21	284,896	228,755
Workers welfare fund		-	-
Other charges		-	-
Total non-markup/interest expenses		284,896	228,755
Profit before provisions		393,404	210,140
Provisions and write offs - net	22	13,231	18,138
Extra ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<u>380,173</u>	<u>192,002</u>
Taxation	23	186,606	76,998
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<u>193,567</u>	<u>115,004</u>
			Restated
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	24	<u>0.32</u>	<u>0.19</u>

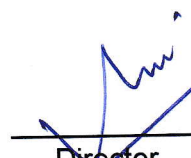
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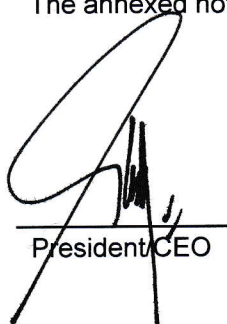
  
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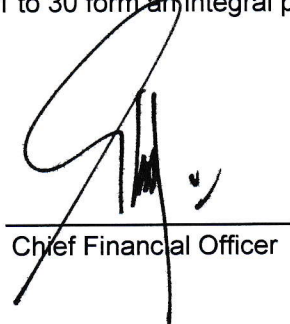
**THE BANK OF AZAD JAMMU AND KASHMIR  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

	January to March 2024	January to March 2023
Profit after taxation for the period	193,567	112,881
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus / (deficit) on revaluation of investments - net of tax	2,332	354
<b>Total comprehensive income</b>	<u><u>195,899</u></u>	<u><u>113,235</u></u>

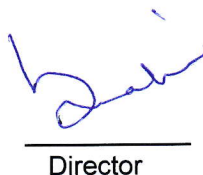
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\_\_\_\_\_  
President/CEO



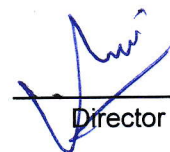
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Chief Financial Officer



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

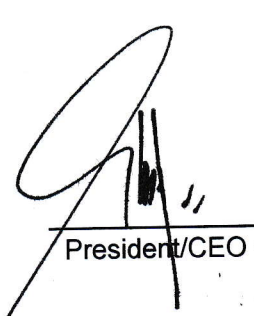
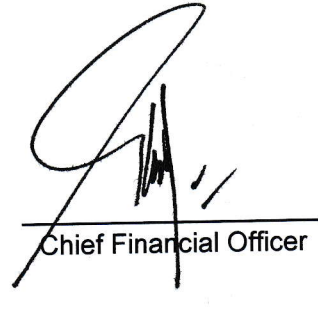


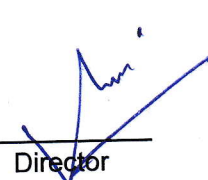


\_\_\_\_\_  
Director

**THE BANK OF AZAD JAMMU AND KASHMIR  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

Note	January to March 2024	January to March 2023
	Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	380,173	192,223
Less: Dividend income	866	696
	<u>379,307</u>	<u>191,527</u>
Adjustments:		
Depreciation	10,362	9,028
Depreciation on right-of-use assets	-	-
Mark-up / return / interest expensed on lease liability against right-of-use assets	-	-
Provision and write-offs	13,231	18,138
(Gain) on sale of fixed assets	-	-
	<u>23,593</u>	<u>27,166</u>
	<u>402,900</u>	<u>218,693</u>
(Increase)/ Decrease in operating assets		
Advances	(237,491)	(141,333)
Others assets (excluding advance taxation)	(383,716)	(792,796)
	<u>(621,207)</u>	<u>(934,129)</u>
Increase/ (Decrease) in operating liabilities		
Bills Payable	(77,776)	153,768
Deposits	1,833,121	750,684
Other liabilities (excluding current taxation)	(24,222)	42,421
	<u>1,731,123</u>	<u>946,873</u>
Income tax paid	(120,668)	(90,475)
Net cash flow generated from operating activities	<u>1,392,148</u>	<u>140,962</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	-	-
Dividends received	866	696
Investments in operating fixed assets	(30,189)	(15,050)
Proceeds from sale of fixed assets	-	-
Net cash flow (used in) investing activities	<u>(29,323)</u>	<u>(14,354)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	-
Payment of lease liability against right-of-use assets	1,261	(4,403)
Dividend paid	-	-
Net cash flow from / (used in) financing activities	<u>1,261</u>	<u>(4,403)</u>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>1,364,086</b>	<b>122,205</b>
Cash and cash equivalents at beginning of the period	<u>24,750,879</u>	<u>22,360,083</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>26,114,965</u></b>	<b><u>22,482,288</u></b>

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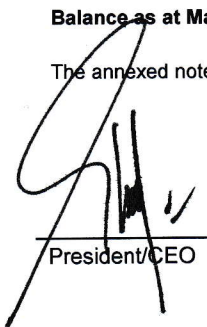
 _____ President/CEO	 _____ Chief Financial Officer	 _____ Director	 _____ Director	 _____ Director
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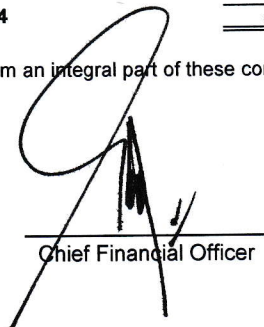


**THE BANK OF AZAD JAMMU AND KASHMIR  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

	Share Capital	Surplus/ (deficit) on revaluation of investments	Unappropriated profit	Statutory Reserve	Total
	Rupees in '000				
<b>Balance as at December 31, 2022</b>	5,142,903	(23,828)	389,194	360,650	5,868,919
Profit after taxation for the three month ended March 31, 2023	-	-	115,225	-	115,225
Transfer to Statutory Reserve			(23,045)	23,045	
Other comprehensive income - net of tax	-	(4,242)	-	-	(4,242)
<b>Transactions with owners, recorded directly in equity</b>					
Issue of bonus shares	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>5,142,903</b>	<b>(28,070)</b>	<b>481,374</b>	<b>383,695</b>	<b>5,979,902</b>
Profit after taxation for the nine months ended December 31, 2023	-	-	422,255	-	422,255
Transfer to Statutory Reserve	-	-	(84,451)	84,451	-
Other comprehensive income - net of tax	-	28,973	-	-	28,973
<b>Transactions with owners, recorded directly in equity</b>					
Issue of Shares against cash					
Issue of share capital	385,718		(385,718)		
<b>Balance as at December 31, 2023</b>	<b>5,528,621</b>	<b>903</b>	<b>433,460</b>	<b>468,146</b>	<b>6,431,130</b>
Profit / (loss) after taxation for the current period	-	-	193,567	-	193,567
Transfer to Statutory Reserve	-	-	(38,713)	38,713	-
Other comprehensive income - net of tax	-	2,332	-	-	2,332
<b>Transactions with owners, recorded directly in equity</b>					
Issue of bonus shares	428,468		(428,468)		
<b>Balance as at March 31, 2024</b>	<b>5,957,089</b>	<b>3,235</b>	<b>159,846</b>	<b>506,859</b>	<b>6,627,029</b>

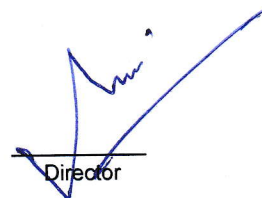
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Director

  
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Director

**THE BANK OF AZAD JAMMU AND KASHMIR  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

**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 85 branches (December 2023: 85 branches; March 2023: 83 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, 2023.

**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, 2023.

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

The following standard, amendments and interpretation are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretation and the amendments are either not relevant to the Bank Operation or are not expected to have significant impact on the Bank's condensed interim financial statements other than additional disclosures.

As per the SBP's BPRD Circulars letter no. 03 dated July 05, 2022, the applicability of IFRS 9, Financial Instruments has been deferred to accounting periods beginning on or after January 01, 2023. Certain requirements of this standard will be applicable from January 01, 2023. The impact of the IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

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.

There are various amendments to existing accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Bank's financial statements.

**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, 2023.

**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, 2023.

**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, 2023.

(Un-audited)      (Audited)  
**March 31, 2024**      **December 31, 2023**  
Rupees in '000

**5 CASH AND BALANCES WITH TREASURY BANKS**

In hand							
Local currency				383,675		308,314	
With National Bank of Pakistan in							
Local currency current accounts				414,550		374,440	
Local currency deposit account				26,266		35,586	
Local currency Term deposit accounts				8,050,000		7,500,000	
				<u>8,490,816</u>		<u>7,910,026</u>	
Prize bonds				-		-	
				<u>8,874,491</u>		<u>8,218,340</u>	

**6 BALANCES WITH OTHER BANKS**

In Pakistan (Azad Jammu and Kashmir)							
In current accounts				683,210		670,320	
In deposit accounts				16,557,264		15,862,220	
				<u>17,240,474</u>		<u>16,532,540</u>	

**7 INVESTMENTS**

**7.1 Investments by type:**

	(Un-audited) March 31, 2024				(Audited) December 31, 2023			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Rupees in '000							
<b>Available-for-sale securities</b>								
Units of open ended mutual funds	55,000	-	4,103	59,103	55,000	-	1,771	56,771
<b>Held-to-maturity securities</b>								
Term finance certificates - note 8.2	49,940	(49,940)	-	-	49,940	(49,940)	-	-
<b>Total Investments</b>	<u>104,940</u>	<u>(49,940)</u>	<u>4,103</u>	<u>59,103</u>	<u>104,940</u>	<u>(49,940)</u>	<u>1,771</u>	<u>56,771</u>

(Un-audited)      (Audited)  
**March 31, 2024**      **December 31, 2023**  
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**

Category of classification	(Un-audited) March 31, 2024		(Audited) December 31, 2023	
	NPI	Provision	NPI	Provision
<b>Domestic</b>				
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	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	Rupees in '000					
Loans, cash credits, running finances, etc.	4,135,038	3,951,359	185,541	136,514	4,320,579	4,087,873
Advances - gross	<u>4,135,038</u>	<u>3,951,359</u>	<u>185,541</u>	<u>136,514</u>	<u>4,320,579</u>	<u>4,087,873</u>
Provision against advances						
- Specific	-	-	(134,762)	(126,784)	(134,762)	(126,784)
- General	(92,195)	(86,942)	-	-	(92,195)	(86,942)
	<u>(92,195)</u>	<u>(86,942)</u>	<u>(134,762)</u>	<u>(126,784)</u>	<u>(226,957)</u>	<u>(213,726)</u>
Advances - net of provision	<u>4,042,843</u>	<u>3,864,417</u>	<u>50,779</u>	<u>9,730</u>	<u>4,093,622</u>	<u>3,874,147</u>



	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000	
<b>8.1 Particulars of advances (Gross)</b>		
In local currency	4,320,579	4,087,873

8.2 Advances include Rs. 241,706 thousand (2023: 185,713 thousand) which have been placed under non-performing status as detailed below:-

Category of Classification	(Un-audited) March 31, 2024		(Audited) December 31, 2023	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
<b>Domestic</b>				
Other Assets Especially Mentioned	-	-	1,382	103
Substandard	73,181	18,105	7,929	1,922
Doubtful	976	488	1,344	672
Loss	116,169	116,169	125,859	124,087
<b>Total</b>	<b>190,326</b>	<b>134,762</b>	<b>136,514</b>	<b>126,784</b>

8.3 Particulars of provision against advances	(Un-audited) March 31, 2024			(Audited) December 31, 2023		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	126,784	86,942	213,726	127,687	86,122	213,809
Charge for the period / year	7,978	5,253	13,231	12,666	820	13,486
Reversals	-	-	-	(12,981)	-	(12,981)
	7,978	5,253	13,231	(315)	820	505
Amount Charged off- agriculture Financing	-	-	-	(588)	-	(588)
Closing balance	134,762	92,195	226,957	126,784	86,942	213,726

8.3.1 Particulars of provision against advances	(Un-audited) March 31, 2024			(Audited) December 31, 2023		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	134,762	92,195	-	126,784	86,942	213,726
	134,762	92,195	-	126,784	86,942	213,726

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, 2024	(Audited) December 31, 2023
	Rupees in '000	
<b>9 FIXED ASSETS</b>		
Capital work-in-progress	11,096	867
Property and equipment	441,841	421,881
	<b>452,937</b>	<b>422,748</b>

9.1 Capital work-in-progress

Advances to suppliers

11,096 867

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

9.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Capital work-in-progress

11,096 867

**Property and equipment**

Freehold land  
Building on freehold land  
Leasehold Improvements  
Furniture and fixture  
Electrical office and computer equipment  
Vehicles  
Others

-	-
-	-
2,639	27,753
3,124	24,041
18,907	41,130
-	28,765
-	-
<b>24,670</b>	<b>121,689</b>

Total

35,766 122,556



		(Un-audited) March 31, 2024	Audited December 31, 2023
		Rupees in '000	
<b>10</b>	<b>DEFERRED TAX ASSETS</b>		
	Deductible Temporary Differences on		
	- Accelerated tax depreciation	21,394	19,547
	- Provision against receivable from Kashmir Council	2,359	2,359
	- Provision against customer claims	8,169	8,169
	- Provision against Classified Advances	2,394	1,909
	- Deficit on revaluation of investments		
	Net deferred tax assets	34,316	31,984
		<b>34,316</b>	<b>31,984</b>

<b>11</b>	<b>OTHER ASSETS</b>			
	Income/ mark-up accrued in local currency - net of provision	11.1	3,722,084	3,391,668
	Advances, deposits, advance rent and other prepayments		14,267	18,101
	Advance taxation (payments less provisions)		-	-
	Branch adjustment account		-	-
	Stationery and stamps in hand		12,041	11,396
	Others		63,505	7,016
			<b>3,811,897</b>	<b>3,428,181</b>
	Less: Provision held against other assets	11.2	(4,815)	(4,815)
	Other Assets (Net of Provision)		<b>3,807,082</b>	<b>3,423,366</b>

11.1 This balance has arrived at after adjusting interest in suspense account of Rs. 157,136 Thousand ( 2023 : Rs. 151,281 thousand).

<b>11.2</b>	<b>Provision held against other assets</b>			
	Receivable from Kashmir Council		(4,815)	4,815

		(Un-audited) March 31, 2024	Audited December 31, 2023
		Rupees in '000	
<b>12</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	15,483	93,259

	(Un-audited)			Audited		
	March 31, 2024			December 31, 2023		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000						
<b>13</b>	<b>DEPOSITS AND OTHER ACCOUNTS</b>					
	<b>Customers</b>					
	6,010,475	-	6,010,475	5,311,831	-	5,311,831
	13,430,160	-	13,430,160	13,132,002	-	13,132,002
	6,499,156	-	6,499,156	5,599,705	-	5,599,705
	37,995	-	37,995	101,127	-	101,127
	<b>25,977,786</b>	<b>-</b>	<b>25,977,786</b>	<b>24,144,665</b>	<b>-</b>	<b>24,144,665</b>

		(Un-audited) March 31, 2024	Audited December 31, 2023
		Rupees in '000	
<b>14</b>	<b>OTHER LIABILITIES</b>		
	Mark-up/ return/ interest payable in local currency - note 15.1	704,044	921,737
	Accrued expenses	295,000	8,120
	Income tax payable	341,266	275,328
	Branch adjustment account	20,547	152,868
	Provision for bonus to employees	47,237	62,927
	Provision against customer claims	16,672	16,672
	Leave encashment	109,434	109,434
	Education cess	74,065	60,394
	Others	165,172	116,334
		<b>1,773,437</b>	<b>1,723,814</b>

14.1 It includes an amount of Rs. 175,163 thousand (2023: Rs. 184,847 thousand) on account of interest payable to related parties .

		(Un-audited) March 31, 2024	Audited December 31, 2023	
		Rupees in '000		
<b>15</b>	<b>DEFICIT ON REVALUATION OF ASSETS</b>			
	Deficit on revaluation of			
	- Available for sale securities	7.1	4,103	1,771
	Deferred tax on surplus / (deficit) on revaluation of:			
	- Available for sale securities		(1,436)	(868)
			<b>2,667</b>	<b>903</b>

**16 CONTINGENCIES AND COMMITMENTS**

-Guarantees  
-Commitments  
-Bills for collection

16.1  
16.2  
16.4

<b>106,665</b>	87,674
<b>118,596</b>	182,307
<b>7,589</b>	5,580
<b>232,850</b>	<b>275,561</b>

**16.1 Guarantees:**

Financial guarantees

**106,665** 87,674

December 31,  
March 31, 2024 2023  
Rupees in '000

**16.2 Commitments:**

Loan sanctioned but not disbursed  
Unavailed running finance

**24,437** 5,814

**94,159** 176,493

**118,596** **182,307**

**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      January to**  
**March 2024    March 2023**  
**Rupees in '000**

**17      MARK-UP / RETURN / INTEREST EARNED**

On:

a)	Loans and advances	170,428	132,827
b)	Investments	-	-
d)	Balances with banks	1,286,944	849,603
		<b>1,457,372</b>	<b>982,430</b>

**18      MARK-UP/RETURN/INTEREST EXPENSED**

On:

a)	Deposits	791,053	552,435
b)	Lease liability against right-of-use- assets	-	-
		<b>791,053</b>	<b>552,435</b>

**19      FEE & COMMISSION INCOME**

Branch banking customer fees	724	656
Commission on cheques books	2,726	1,574
Credit related fees	2,631	2,286
Commission on guarantees	772	92
Commission on remittances	953	648
Commission on call deposit	40	22
Commission on utility bills	1,255	1,621
Postages charges	232	152
Others	107	76
		<b>9,440</b>
		<b>7,127</b>

**20      OTHER INCOME**

other Income	1,675	1,298
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**January to      January to**  
**March 2024    March 2023**  
**Rupees in '000**

**21 OPERATING EXPENSES**

Total compensation expense	173,897	129,253	
<b>Property expense</b>			
Rent & taxes	15,598	14,503	
Insurance	-	8,944	
Utilities cost	11,582	8,786	
Security (including guards)	15,288	13,569	
Repair & maintenance (including janitorial charges)	9,012	6,155	
Depreciation on right-of-use assets	-	-	
Depreciation on owned fixed assets	2,998	4,057	
	<b>54,478</b>	<b>56,014</b>	
<b>Information technology expenses</b>			
Software maintenance	5,963	-	
Hardware maintenance	1,305	1,014	
Depreciation	4,636	2,140	
Network charges	5,136	2,202	
	<b>17,040</b>	<b>5,356</b>	
<b>Other operating expenses</b>			
Directors' fees and allowances	1,450	621	
Legal & professional charges	1,254	2,009	
Travelling & conveyance	9,243	9,145	
Depreciation	2,728	2,831	
Entertainment	5,524	5,051	
Training & development	426	146	
Postage & courier charges	762	654	
Communication	1,155	1,203	
Stationery & printing	3,471	5,298	
Marketing, advertisement & publicity	2,131	744	
Auditors Remuneration	575	591	
Others	10,762	9,839	
	39,481	38,132	
	<b>284,896</b>	<b>228,755</b>	

**January to      January to**  
**March 2024    March 2023**  
**Rupees**

**22 PROVISIONS & WRITE OFFS - NET**

(Reversal)/Charge of provisions against loans & advances - net	8.3	13,231	18,138
----------------------------------------------------------------	-----	--------	--------

**23 TAXATION**

Current		186,606	83,687
Deferred			(6,689)
		<b>186,606</b>	<b>76,998</b>

**24 BASIC EARNINGS/ (LOSS) PER SHARE**

Profit for the period		193,567	112,881
Number of ordinary shares		<b>595,708,900</b>	514,290,320
			Restated
Basic earnings per share		<b>0.32</b>	<b>0.19</b>

## 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

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, 2024			Total
	Level 1	Level 2	Level 3	
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Mutual Fund	59,103	-	-	59,103

	Audited December 31, 2023			Total
	Level 1	Level 2	Level 3	
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Mutual Fund	56,771	-	-	56,771

## 26 Segment details with respect to business activities

	For the three months ended March 31, 2024 (Un-audited)				Total
	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	
<b>Profit &amp; Loss</b>					
Net mark-up/return/profit	130,412	535,904	-	-	666,320
Non mark-up / return / interest income	92	2,541	8,052	1,295	11,980
Total Income	130,504	538,445	8,052	1,295	678,300
Segment direct expenses	25,304	257,780	1,561	251	284,896
Total expenses	25,300	257,780	1,561	251	284,896
Provisions charged / (reversal)	7,978	5,253	-	-	13,231
Profit before tax	97,226	275,412	6,491	1,044	380,173

as at March 31, 2024

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
<b>Balance Sheet</b>					
Cash & Bank balances	-	26,114,965	-	-	26,114,965
Investments	-	59,103	-	-	59,103
Advances - performing	3,379,929	748,145	-	-	4,128,074
Advances - non-performing	43,179	147,147	-	-	190,326
Advances - provision	(124,060)	(102,897)	-	-	(226,957)
Operating fixed assets	40,229	409,827	2,482	399	452,937
Deferred tax asset	3,047	31,050	188	30	34,315
Others	3,055,066	751,474	466	75	3,807,081
<b>Total Assets</b>	<b>6,397,390</b>	<b>28,158,814</b>	<b>3,136</b>	<b>504</b>	<b>34,559,844</b>
Bills payable	-	15,483	-	-	15,483
Deposits & other accounts	-	25,977,786	-	-	25,977,786
Others	212,903	1,727,641	1,020	164	1,941,728
<b>Total liabilities</b>	<b>212,903</b>	<b>27,720,910</b>	<b>1,020</b>	<b>164</b>	<b>27,934,997</b>
Equity	6,184,487	437,904	2,116	340	6,624,847
<b>Total Equity &amp; liabilities</b>	<b>6,397,390</b>	<b>28,158,814</b>	<b>3,136</b>	<b>504</b>	<b>34,559,844</b>

**Contingencies & Commitments**

	32,026	200,824	-	-	232,850
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For the three months ended March 31, 2023 (Un-audited)

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
<b>Profit &amp; Loss</b>					
Net mark-up/return/profit	109,816	320,179	-	-	429,995
Non mark-up / return / interest income	26	1,994	5,438	1,662	9,120
<b>Total Income</b>	<b>109,842</b>	<b>322,173</b>	<b>5,438</b>	<b>1,662</b>	<b>439,115</b>
Segment direct expenses	25,341	201,776	1,255	383	228,755
<b>Total expenses</b>	<b>25,341</b>	<b>201,776</b>	<b>1,255</b>	<b>383</b>	<b>228,755</b>
Provisions charged / (reversal)	2,285	15,853	-	-	18,138
<b>Profit before tax</b>	<b>82,216</b>	<b>104,544</b>	<b>4,183</b>	<b>1,279</b>	<b>192,222</b>

As at December 31, 2023 (Audited)

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
Rupees in '000					
<b>Balance Sheet</b>					
Cash & Bank balances	-	24,750,880	-	-	24,750,880
Investments	-	56,771	-	-	56,771
Advances - performing	3,224,400	728,134	-	-	3,952,534
Advances - non-performing	48,390	88,124	-	-	136,514
Advances - provision	(127,656)	(86,069)	-	-	(213,725)
Operating fixed assets	41,511	378,409	2,306	522	422,748
Deferred tax asset	3,141	28,629	174	40	31,984
Others	2,718,515	705,614	173	39	3,424,341
<b>Total Assets</b>	<b>5,908,301</b>	<b>26,650,492</b>	<b>2,653</b>	<b>601</b>	<b>32,562,047</b>
Bills payable	-	93,259	-	-	93,259
Deposits & other accounts	-	24,144,665	-	-	24,144,665
Liabilities against assets subject to finance lease	16,401	149,510	911	207	167,029
Others	117,797	1,453,084	152,921	12	1,723,814
<b>Total liabilities</b>	<b>134,198</b>	<b>25,840,518</b>	<b>153,832</b>	<b>219</b>	<b>26,128,767</b>
Equity	5,774,103	809,973	(151,179)	383	6,433,280
<b>Total Equity &amp; liabilities</b>	<b>5,908,301</b>	<b>26,650,491</b>	<b>2,653</b>	<b>602</b>	<b>32,562,047</b>
<b>Contingencies &amp; Commitments</b>	<b>23,153</b>	<b>29,331</b>	<b>5,580</b>	<b>87,674</b>	<b>145,738</b>



## 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 Bank 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, 2024		(Audited) December 31, 2023	
	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) -----			
<b>Advances</b>				
Opening balance	-	163,138	-	105,283
Addition during the period / year				57,855
Addition/Repaid during the period / year	-	21,644	-	-
Closing balance	-	184,782	-	163,138
Provision held against advances	-	-	-	-
<b>Other Assets</b>				
Interest / mark-up accrued	-	-	-	-
<b>Deposits and other accounts</b>				
Opening balance	10,725,976	9,803	9,578,386	3,239
Received/Withdrawal during the period / year	163,880	434	1,147,590	6,564
Closing balance	10,889,856	10,237	10,725,976	9,803
<b>Other Liabilities</b>				
Interest / mark-up payable	175,163	-	184,847	-
<b>Contingencies and Commitments</b>				
Unavailed running finance	-	-	-	-

## RELATED PARTY TRANSACTIONS

	(Un-audited) For the three months ended March 31, 2024		(Un-audited) For the three months ended March 31, 2023	
	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) -----			
<b>Income</b>				
Mark-up / return / interest earned	-	1,162	-	727
<b>Expense</b>				
Mark-up / return / interest paid	271,091	103	67,969	57

(Un-audited) (Audited)  
 March 31, December  
 2024 31, 2023  
 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	6,116,935	6,401,441
Eligible additional tier 1 (ADT 1) capital	-	-
Total regulatory adjustment applied to CET1	3,235	-
Total Eligible Tier 1 Capital	6,120,170	6,401,441
Eligible Tier 2 Capital	92,195	87,845
Total Eligible Capital (Tier 1 + Tier 2)	<u>6,212,365</u>	<u>6,489,286</u>

**Risk Weighted Assets (RWAs):**

Credit Risk	12,370,751	12,037,162
Market Risk	118,206	141,928
Operational Risk	1,137,169	3,195,893
Total	<u>13,626,126</u>	<u>15,374,983</u>

Common Equity Tier 1 Capital Adequacy Ratio

44.89% 41.64%

Tier 1 Capital Adequacy Ratio

44.91% 41.64%

Total Capital Adequacy Ratio

45.59% 42.21%

**Leverage Ratio (LR):**

Eligible Tier-1 Capital	6,120,170	6,401,441
Total Exposure	34,668,690	32,835,457
Leverage Ratio	<u>18%</u>	<u>19%</u>

**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets	26,114,965	24,750,880
Total Net Cash Outflow	12,725,555	12,098,286
Liquidity Coverage Ratio	<u>205%</u>	<u>205%</u>

**Net Stable Funding Ratio (NSFR):**

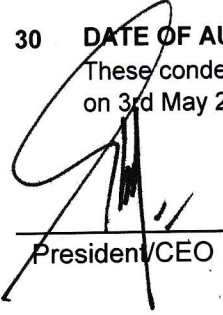
Total Available Stable Funding	21,294,626	18,478,261
Total Required Stable Funding	14,413,027	15,767,680
Net Stable Funding Ratio	<u>148%</u>	<u>117%</u>

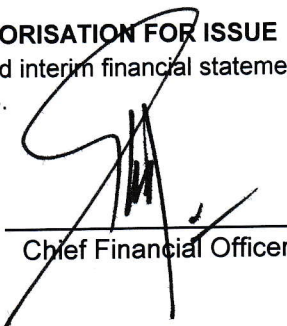
**29 GENERAL**


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


**30 DATE OF AUTHORISATION FOR ISSUE**

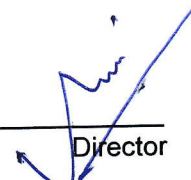
These condensed interim financial statements were authorized for issue by the Board of Directors of the Bank on 3rd May 2024.

  
 \_\_\_\_\_  
 President/CEO

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director