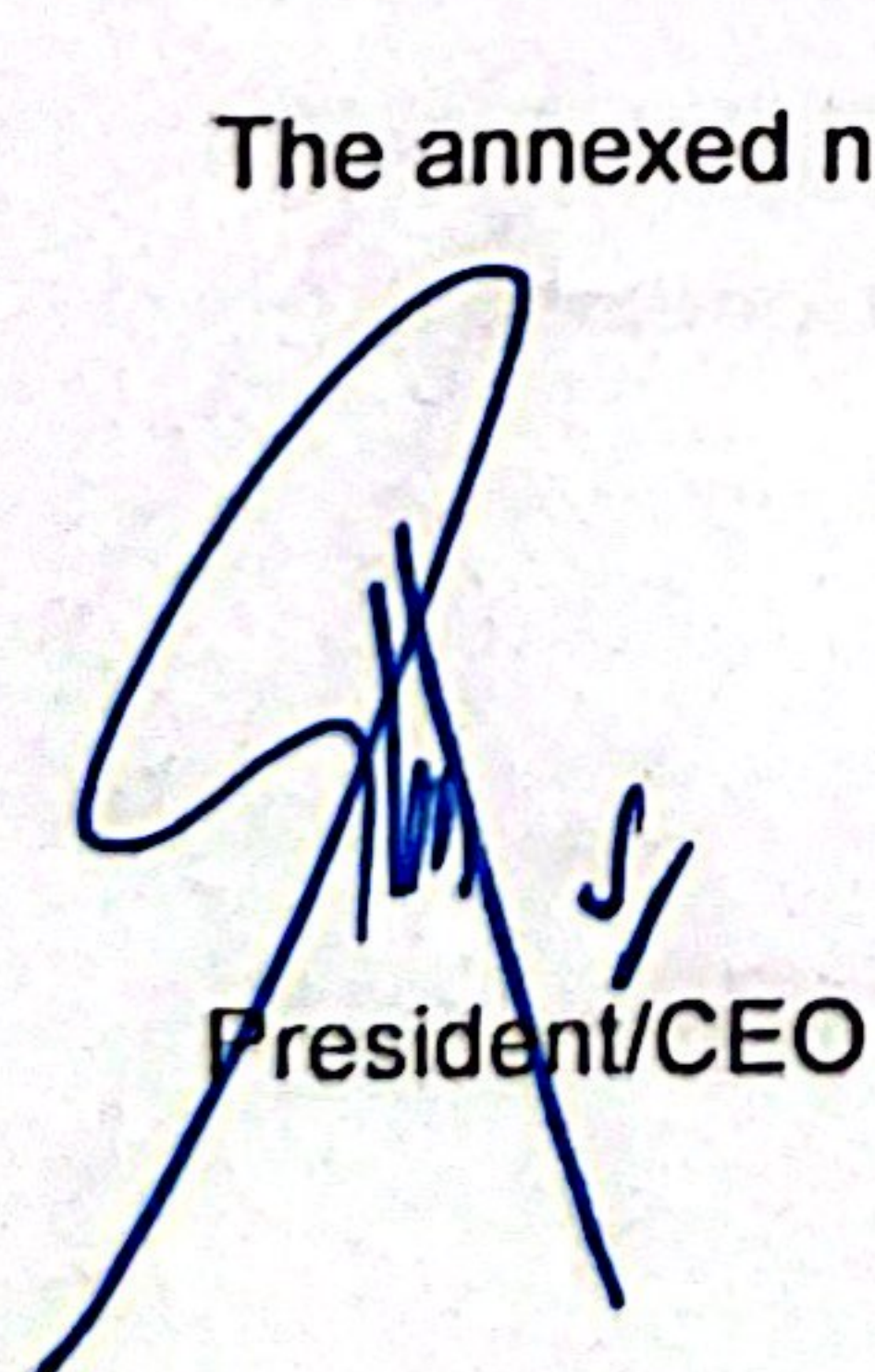
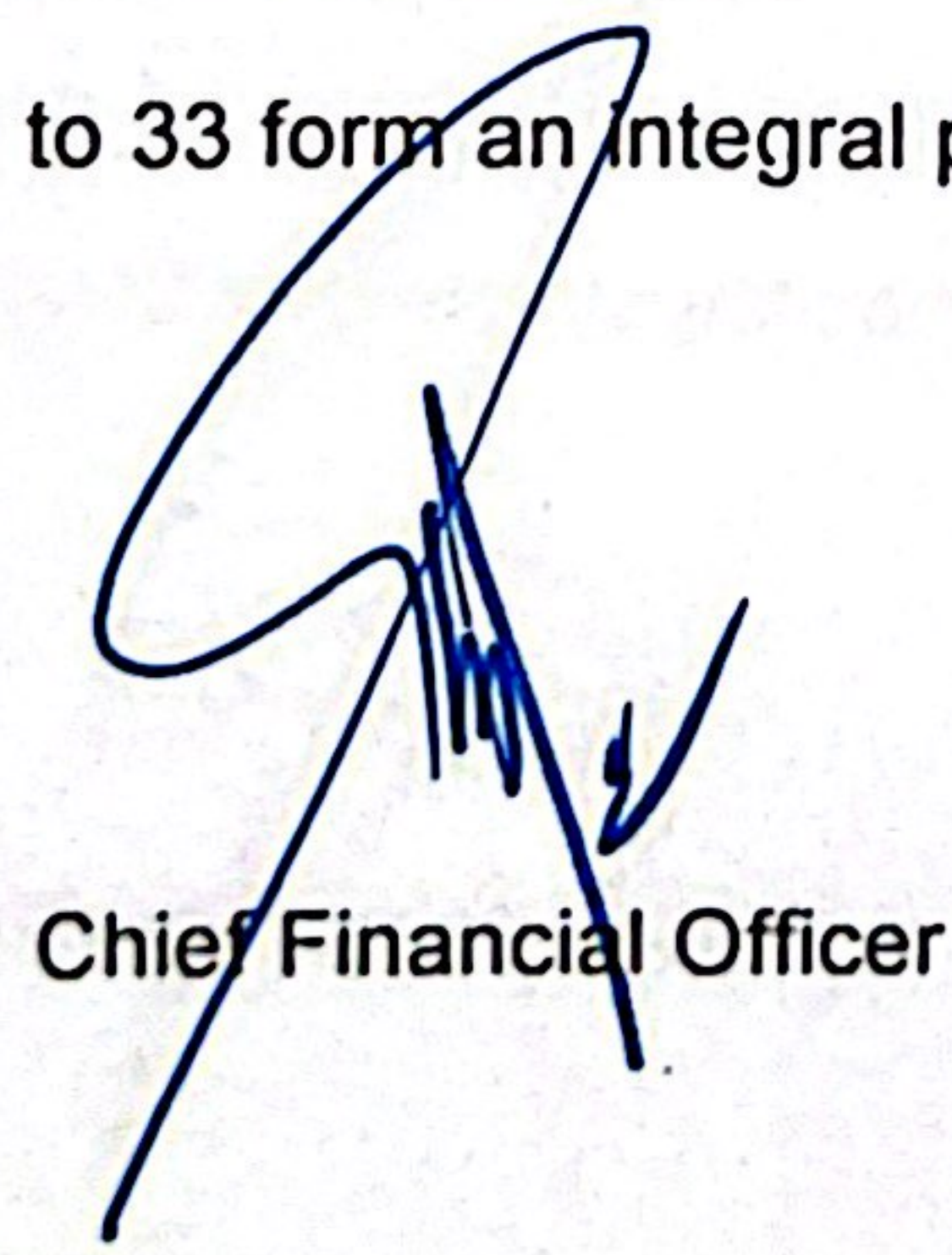


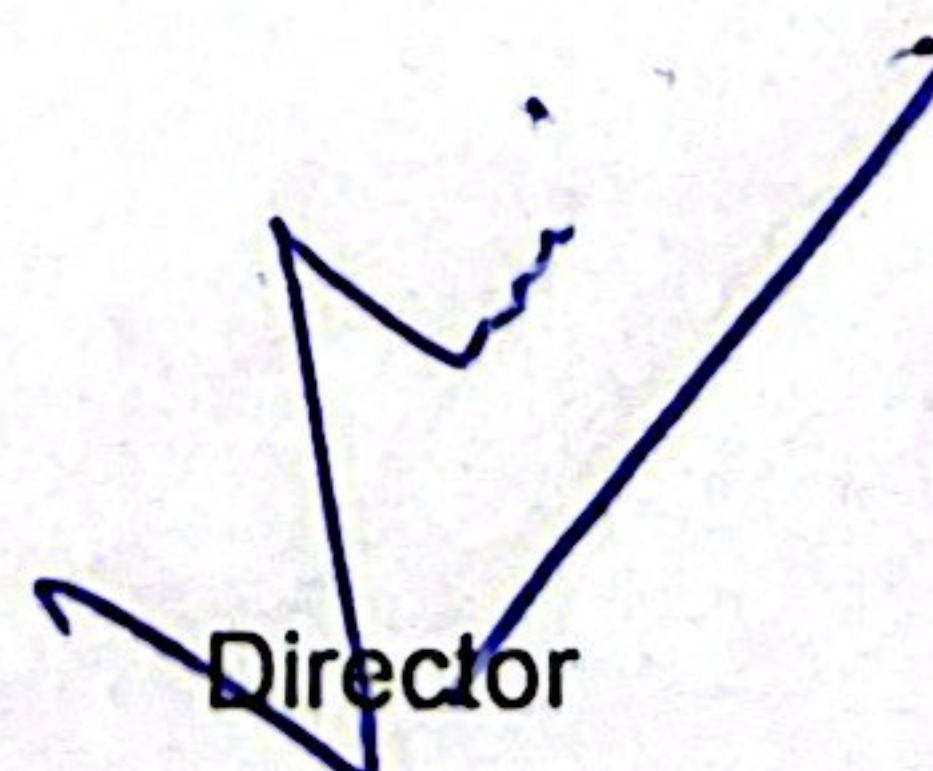
THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

		(Un-audited)	(Audited)
	Note	September 30, 2025	December 31, 2024
-----Rupees in '000-----			
ASSETS			
Cash and balances with treasury banks	5	18,456,984	7,402,309
Balances with other banks	6	26,378,414	16,003,937
Lendings to financial institutions		-	-
Investments	7	3,432,439	18,377,198
Advances	8	4,804,106	4,420,339
Property and equipment	9	388,809	328,024
Right-of-use assets	10	233,402	208,025
Intangible assets		-	-
Deferred tax assets	11	297,064	263,817
Other assets	12	3,990,948	3,815,456
Total Assets		57,982,166	50,819,105
LIABILITIES			
Bills payable	13	18,566	37,951
Borrowings		-	-
Deposits and other accounts	14	47,185,342	40,129,385
Lease Liabilities	15	245,449	217,501
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	16	2,690,582	3,263,715
Total Liabilities		50,139,939	43,648,552
NET ASSETS		7,842,227	7,170,553
REPRESENTED BY			
Share capital / head office capital account - net		5,957,089	5,957,089
Reserves		779,404	644,787
Surplus/ (Deficit) on revaluation of financial assets at FVOCI	17	(1,088)	321
Unappropriated profit		1,106,822	568,356
		7,842,227	7,170,553
CONTINGENCIES AND COMMITMENTS	18		

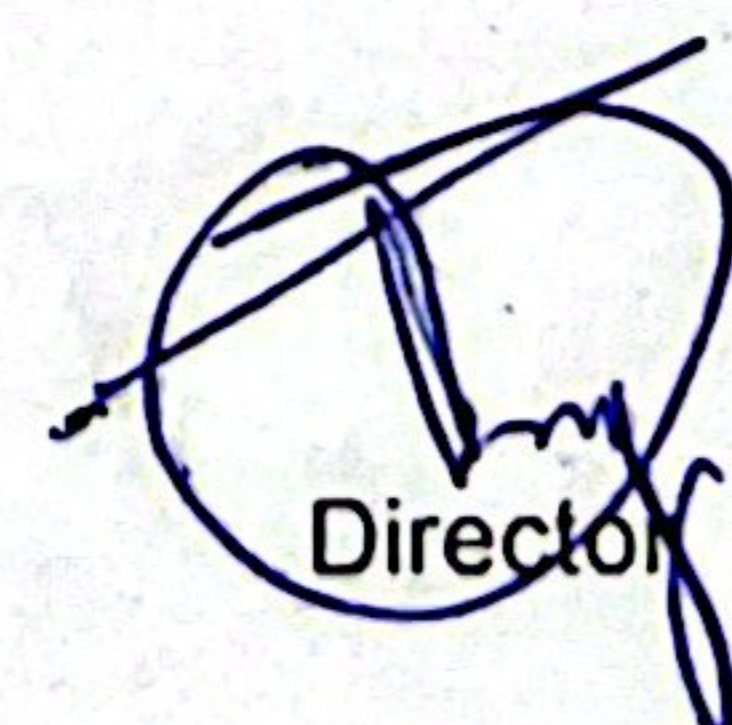
The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.


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 MONTH ENDED SEPTEMBER 30, 2025

	Note	For the quarter ended Sep. 30, 2025	For the quarter ended Sep. 30, 2024	For the quarter ended Sep. 30, 2025	For the quarter ended Sep. 30, 2024
-----Rupees in '000-----					
Mark-up / return / interest earned	19	1,820,969	2,064,120	5,500,222	5,415,957
Mark-up / return / interest expensed	20	1,034,621	1,273,323	3,102,001	3,120,783
Net mark-up/interest income		786,348	790,797	2,398,221	2,295,174

NON MARK-UP / INTEREST INCOME

Fee and commission income	21	23,047	11,377	47,768	31,119
Dividend income		2,520	1,260	3,651	9,767
Foregin Exchanng Income				-	-
income / (loss) frp, derivatives				-	-
Gain / (loss on securities				-	-
Other income	22	2,654	17,180	37,739	59,151
Total non-markup/interest Income		28,221	29,817	89,158	100,037
Total Income		814,569	820,614	2,487,379	2,395,211

NON MARK-UP / INTEREST EXPENSES

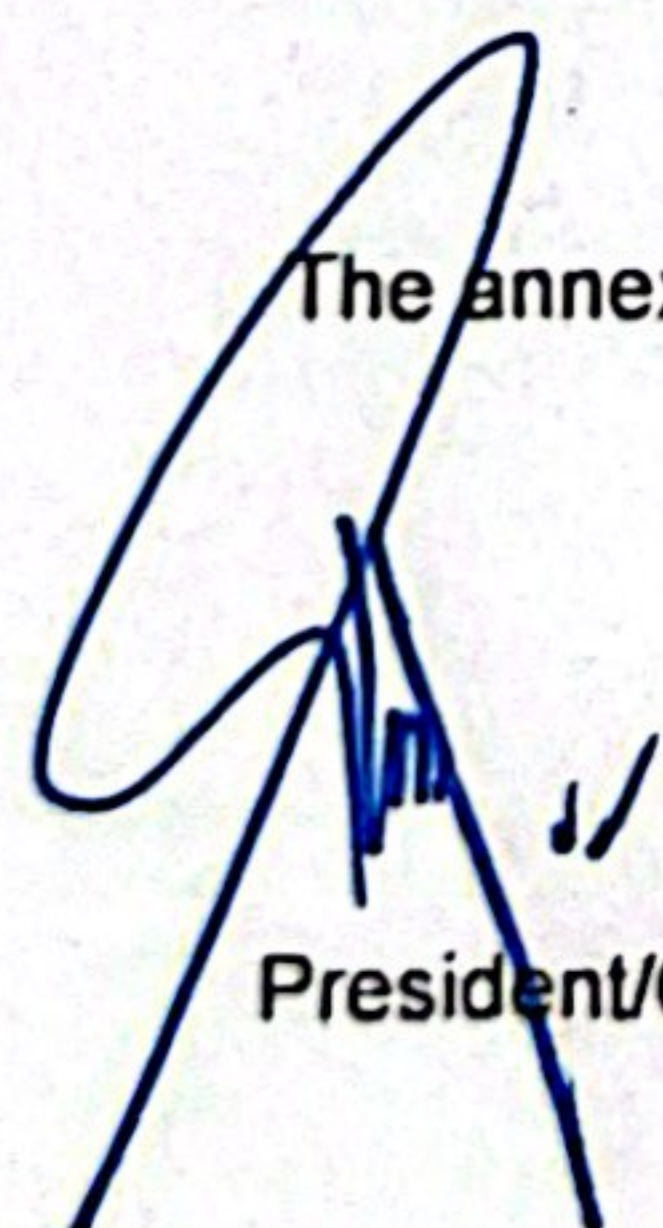
Operating expenses	23	307,837	291,458	1,035,713	959,875
Workers welfare fund		-	-	-	-
Other charges		-	-	-	-
Total non-markup/interest expenses		307,837	291,458	1,035,713	959,875
Profit before credit loss allowance		506,732	529,156	1,451,666	1,435,336
Credit loss allowance and write offs - net	24	(52,833)	51,704	53,269	64,935
Extra ordinary / unusual items		-	-	-	-

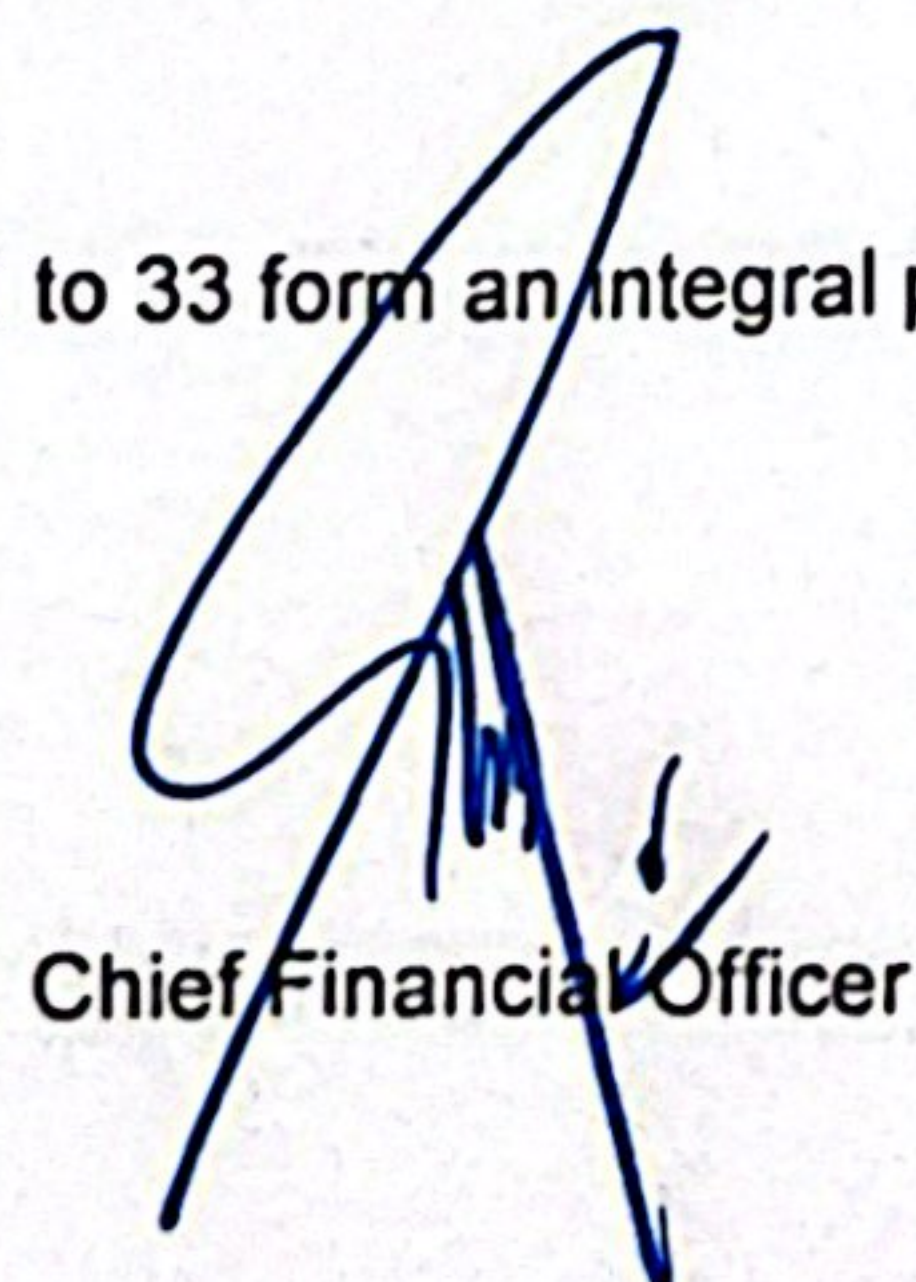
PROFIT BEFORE TAXATION

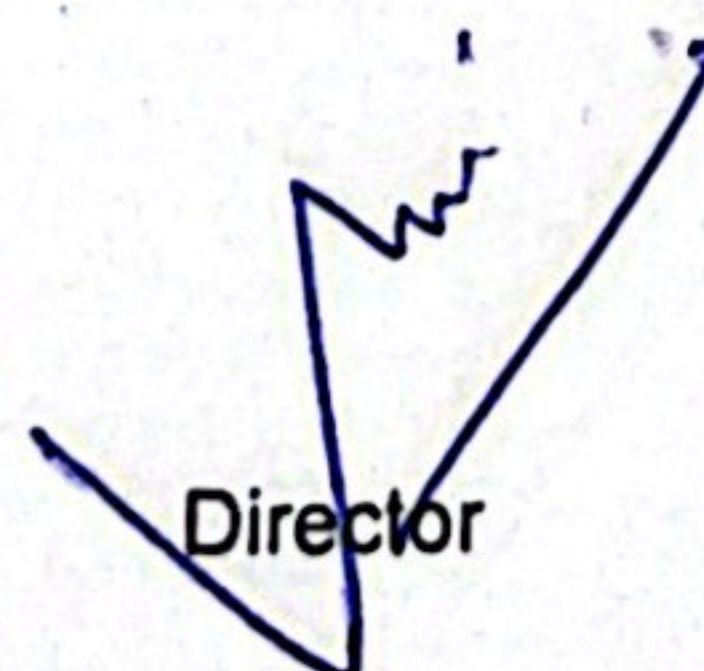
Taxation	25	334,316	168,140	725,314	629,280
PROFIT AFTER TAXATION		<u>225,249</u>	<u>309,312</u>	<u>673,083</u>	<u>741,121</u>

-----Rupees-----					
BASIC AND DILUTED EARNINGS PER SHARE	27	0.38	Restated 0.52	1.13	Restated 1.24

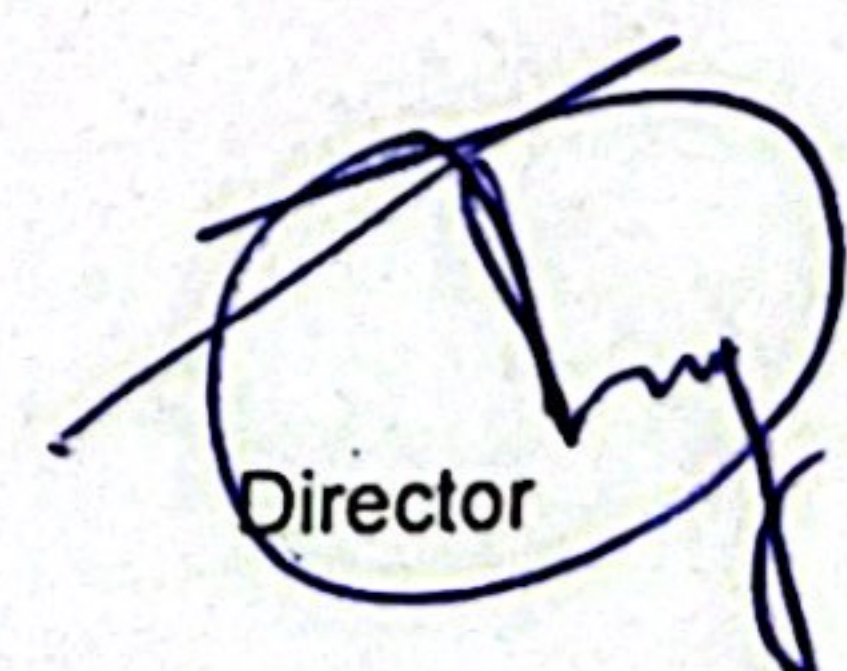
The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.


President/CEO


Chief Financial Officer


Director

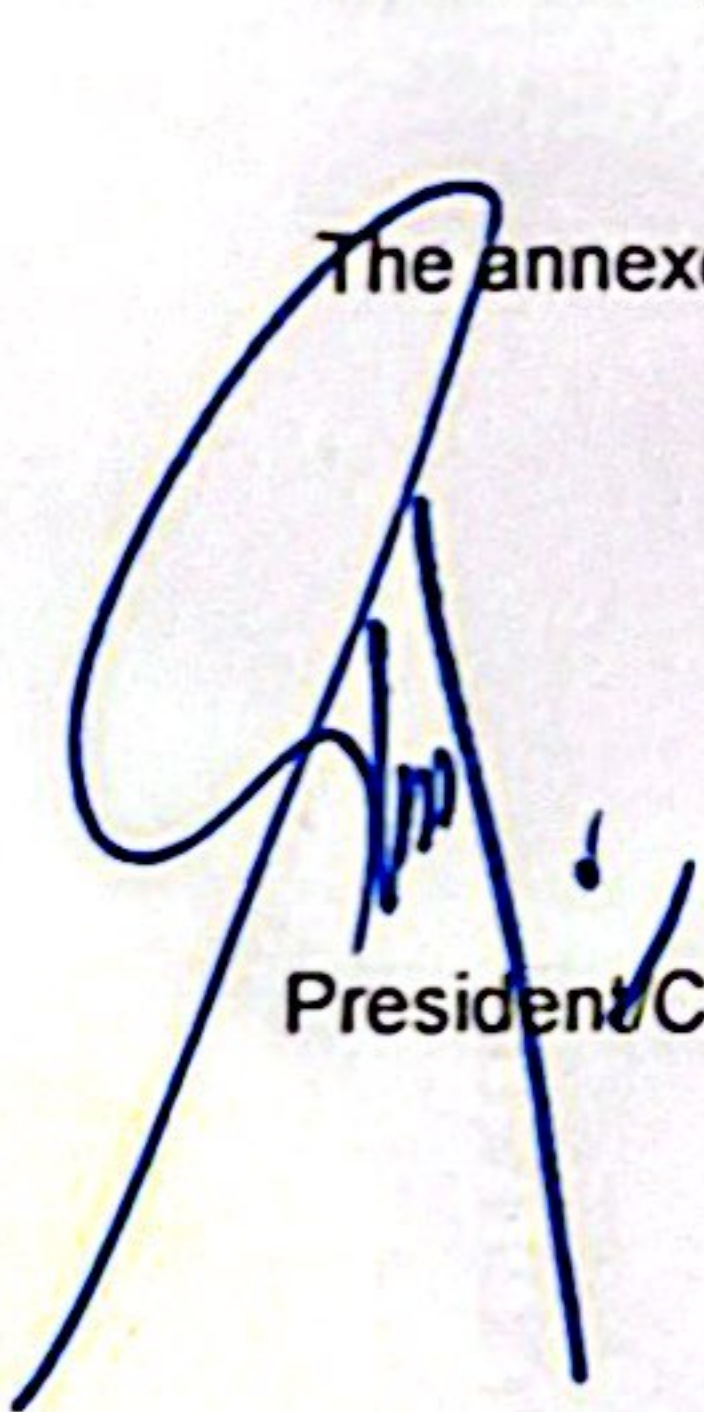

Director


Director

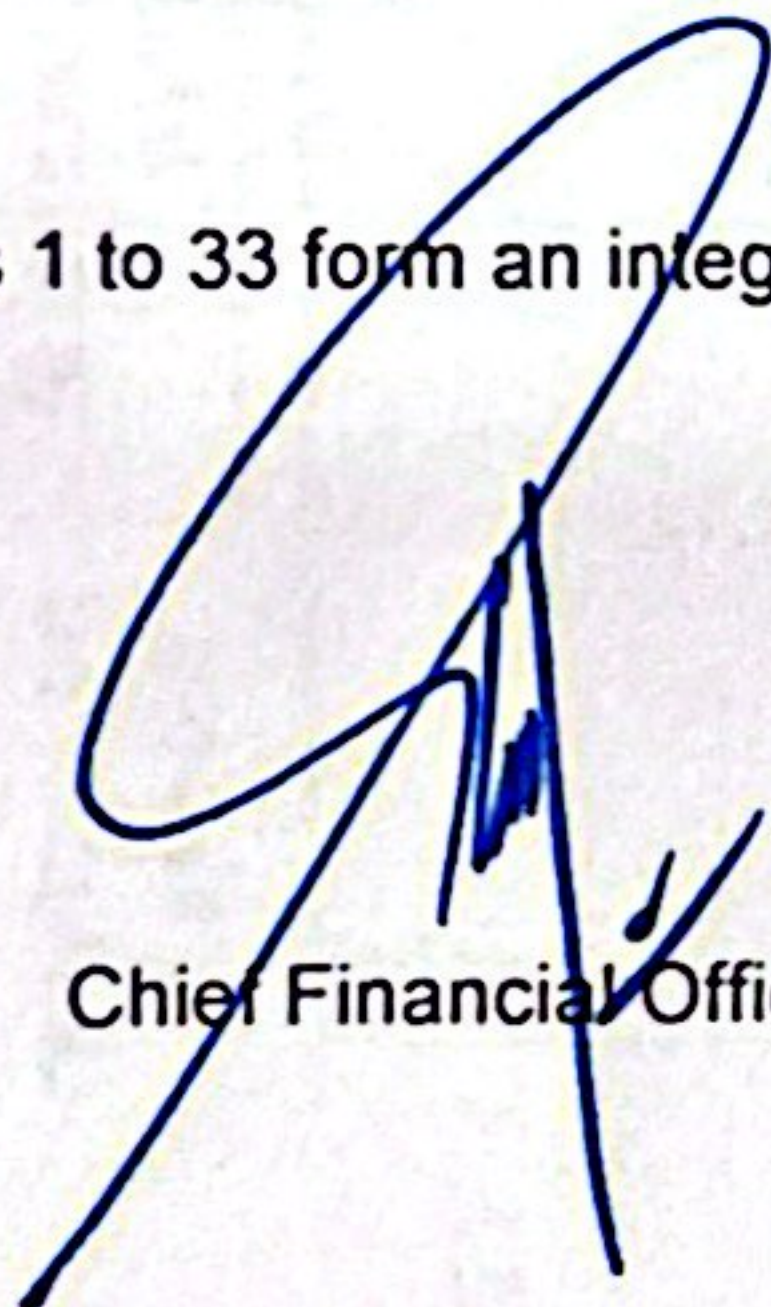
THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2025

	For the quarter ended Sep. 30, 2025	For the quarter ended Sep. 30, 2024	For the quarter ended Sep. 30, 2025	For the quarter ended Sep. 30, 2024
-----Rupees in '000-----				
Profit after taxation for the period	225,249	309,312	673,083	741,121
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments	(3,352)	(4,712)	(1,020)	(2,380)
Related deferred tax	3,589	2,034	(389)	1,166
	237	(2,678)	(1,409)	(1,214)
Total comprehensive income	<u>225,486</u>	<u>306,634</u>	<u>671,674</u>	<u>739,907</u>

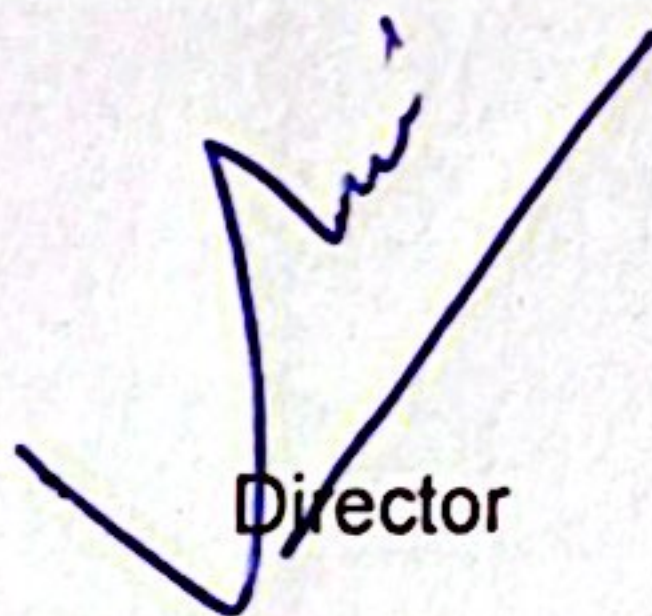
The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.



President/CEO



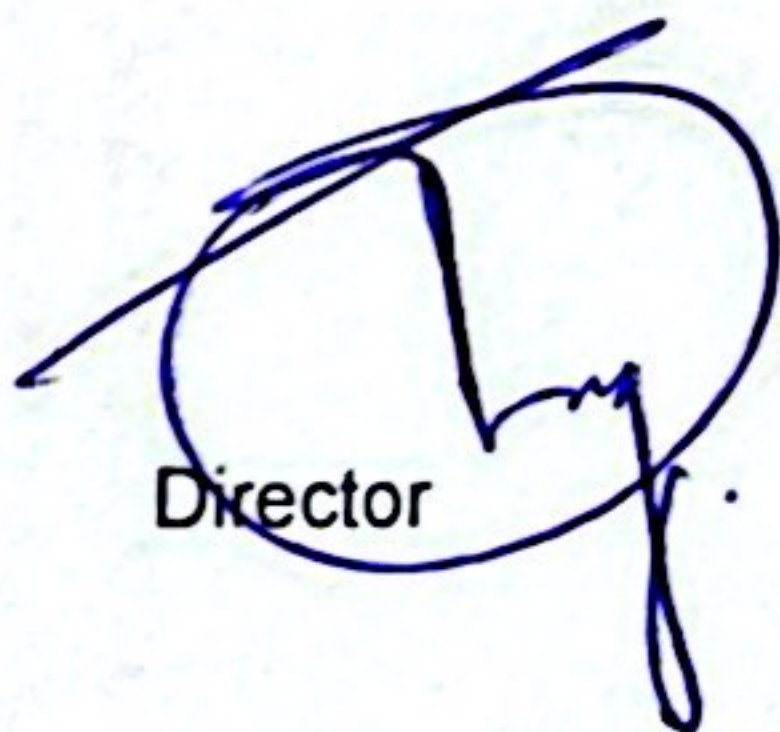
Chief Financial Officer



Director



Director



Director

THE BANK OF AZAD JAMMU AND KASHMIR

	Share capital	Surplus / (deficit) on revaluation of assets	Surplus/(Deficit) on revaluation of financial asset at FVOCI	Unappropriated profit	Statutory Reserve	Total
			Rupees in '000-----			
Balance as at January 01, 2024	5,528,621	-	903	290,260	468,146	6,287,930
Profit after taxation for the Nine month ended September 30, 2024	-	-	-	741,121	-	741,121
Other comprehensive income - net of tax	-	-	-	-	-	-
Transfer to statutory reserve	-	-	(1,214)	(148,224)	148,224	(1,214)
Transactions with owners, recorded directly in equity						
Issue of Bonus Shares	428,468			(428,468)		-
Balance as at September 30, 2024	5,957,089	-	(311)	454,689	616,370	7,027,837
Other comprehensive income - net of tax	-	-		142,084	-	142,084
Issue of Bonus Shares	-	-	632	-		632
Transfer to statutory reserve	-			-		-
Balance as at December 31, 2024	5,957,089	-	321	568,356	644,787	7,170,553
Profit after taxation for the current period	-	-	-	673,083	-	673,083
Other comprehensive income - net of tax	-	-	(1,409)	-	-	(1,409)
Issue of Bonus Shares	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	(134,617)	134,617	-
Balance as at September 30, 2025	5,957,089	-	(1,088)	1,106,822	779,404	7,842,227

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

President/CEO

Chief Financial Officer

Director

Director

Director

THE BANK OF AZAD JAMMU AND KASHMIR
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTH ENDED SEPTEMBER 30, 2025

	Note	For the Nine Month September 30,2025	For the Nine Month September 30,2024
-----Rupees in '000-----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,398,397	1,370,401
Less: Dividend Income		(3,651)	(9,767)
		1,394,746	1,360,634
Adjustments:			
Depreciation		40,545	41,893
Depreciation on right-of-use assets		43,688	-
Interest expense on lease liability		11,614	186
Credit loss allowance and write offs	21	53,269	64,935
Provision for gratuity		112	15,904
other provision		16,500	206,877
		165,729	329,795
		1,560,475	1,690,429
(Increase)/ decrease in operating assets			
Advances		(537,646)	(586,178)
Others assets (excluding advance taxation)		(175,491)	(898,821)
		(713,137)	(1,484,999)
Increase/ (decrease) in operating liabilities			
Bills payable		(19,385)	(60,175)
Deposits		7,055,957	15,050,083
Other liabilities (excluding current taxation)		(445,548)	2,446,880
		6,591,024	17,436,788
Payments against off-balance sheet obligations			
Payment against Interest expense on lease liability		(11,614)	(186)
Income tax paid		(915,419)	(582,162)
Net cash flow from / (used in) operating activities		6,511,329	17,059,870
Dividends received		3,651	9,767
Net (investments in) / proceeds from placement with banks		7,703,550	(1,378,202)
Net (investments in) / proceeds from investments		-	(18,246,966)
Investments in property and equipment		(170,395)	(125,940)
Disposal of property and equipment		-	-
Net cash flow generating from / (used in) investing activities		7,536,807	(19,741,341)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		27,947	(1)
Net cash flow from / (used in) financing activities		27,947	(1)
(Decrease)/Increase in cash and cash equivalents		14,076,083	(2,413,304)
Cash and cash equivalents at beginning of the period		13,954,296	7,703,554
Cash and cash equivalents at end of the period	26	28,030,379	5,290,250

The annexed notes 1 to 33 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 MONTH ENDED SEPTEMBER 30, 2025

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 own 100 percent of ordinary shares of the Bank as on September 30, 2025 (2024: 100%) respectively.

The Bank has 89 branches (December 2024: 87 branches; September 2024: 87 branches) in Azad Jammu and Kashmir.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

Bye-Laws 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 Companies 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 comprises of:

The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises 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).

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40 - 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 - 'Financial Instruments: Disclosures' through its notification S.R.O 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The disclosures made in this condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan (SBP) through BPRD Circular Letter No. 02 of 2023 dated 09 February 2023, and International Accounting Standard 34, "Interim Financial Reporting". These condensed interim financial statements 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, 2024.

2.2 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants

Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

2.3 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

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

Amendments	Effective date (annual periods) beginning on or after
-Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
-IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
-IFRS 7 - Financial Instruments: Disclosures	January 01, 2026
-Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
-Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
-Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2024.

4 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, 2024.

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand		421,096	521,489
Local currency			
With National Bank of Pakistan in			
Local currency current accounts		23,286	50,231
Local currency deposit accounts	5.1 & 5.2	18,012,602	6,830,589
Total		18,035,888	6,880,820
Accrued Mark-up		-	-
Prize bonds		-	-
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balances with treasury banks - net of credit loss allowance		18,456,984	7,402,309

5.1 This represents deposit accounts carrying markup rate 5.5% to 10.50% (2024:12% to 19%) per annum.

5.2 This represents term deposits carrying markup rates ranging from 10.10% to 12.00% (2024: 15.25% to 20.85%) per annum having maturities ranging from 2 months to 11 months.

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
		-----Rupees in '000-----	
6 BALANCES WITH OTHER BANKS			
In Pakistan (Azad Jammu and Kashmir)			
In current accounts		361,492	73,980
In deposit accounts	6.1 & 6.2	26,016,922	15,929,957
Total		26,378,414	16,003,937
Accrued Mark-up		-	-
Less: Credit loss allowance held against balances with other banks		-	-
Balances with other banks - net of credit loss allowance		26,378,414	16,003,937
6.1 Financial asset measured using effective interest rate method :-			
Opening balance		-	-
Financial asset measured using effective interest rate method		2,000,000	2,000,000
Fair value adjustment as per IFRS 9		(319,054)	(319,054)
Addition during the year / period		-	-
Matured during the year / period		(300,000)	(300,000)
Accretion of interest		12,127	48,189
Closing balance		1,393,073	1,429,135
6.2	This includes saving deposit accounts amounting Rs.15,568,523 thousands (2024: Rs. 1,439,800 thousands) carrying markup rates ranging from 5.5% to 10.50.%		

7 INVESTMENTS

(Un-audited) September 30, 2025				(Audited) December 31, 2024			
Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit) FVOCI	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit) FVOCI	Carrying Value

-----Rupees in '000-----							
7.1 Investments by type:							
Fair value through Other Comprehensive Income							
Units of open ended mutual funds	55,000	-	(321)	54,679	55,000	-	699
Amortised Cost							
Term finance certificates - note 9.2	-	-	-	-	49,940	(49,940)	-
Treasury Bills	3,377,760	-	-	3,377,760	18,321,499	-	18,321,499
Total Investments	3,432,760	-	(321)	3,432,439	18,426,439	(49,940)	699

7.2 Credit loss allowance for diminution in value of investments

7.2.1 Opening balance

(Un-audited)
September
30, 2025

(Audited)
December
31, 2024

49,940 49,940

Charge / reversals
Charge for the period / year
Reversals for the period / year
Reversal on disposals

-	-
-	-
-	-

Transfers - net
Amounts written off

- -
- -

Closing Balance

49,940 49,940

7.3 Investments - Particulars of credit loss allowance

	(Un-audited) September 30, 2025				(Audited) December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000							
Gross carrying amount	18,377,198	-		18,377,198	18,427,138	-	-	18,427,138
New Investments	-	-	-	-	-	-	-	-
Investments derecognised or repaid	(14,943,739)	-		(14,943,739)	-	-	(49,940)	(49,940)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
	(14,943,739)	-	-	(14,943,739)	-	-	(49,940)	(49,940)
Change in exposure	-	-	-	-	-	-	-	-
Closing balance	3,433,459	-	-	3,433,459	-	-	(49,940)	18,377,198

8 ADVANCES

Loans, cash credits, running finances, etc.
Income/Markup Accrued
Advances - gross
Provision against advances
- Specific
- General
Credit loss allowance against advances
-Stage 1
-Stage 2
-Stage 3
Advances - net of credit loss allowance

Performing		Non Performing		Total	
(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
-----Rupees in '000-----					
4,808,672	4,290,126	220,468	201,368	5,029,140	4,491,494
		-	-	-	100,610
4,808,672	4,290,126	220,468	201,368	5,029,140	4,592,104
-	-	-	-	-	-
-	-	-	-	-	-
(50,519)	(69)	-	-	(50,519)	(69)
(11,513)	(5,610)	-	-	(11,513)	(5,610)
-	-	(163,002)	(166,086)	(163,002)	(166,086)
(62,032)	(5,679)	(163,002)	(166,086)	(225,034)	(171,765)
4,746,640	4,284,447	57,466	35,282	4,804,106	4,420,339

8.1 Particulars of advances (Gross)

In local currency

Advances include Rs. 270,968 thousand which have been placed under non-performing / stage 3

(Un-audited) September 30, 2025
(Audited) December 31, 2024
-----Rupees in '000-----
5,029,140 4,491,494

Category of classification in stage 3

Domestic
Other Assets Especially Mentioned (OAEM)
Substandard
Doubtful
Loss
Total

(Un-audited) September 30, 2025	(Audited) December 31, 2024		
Non performing loans	Credit loss allowance	Non Performing Loans	Provision
-----Rupees in '000-----			
1	-	7,497	1,331
53,826	8,055	35,289	9,475
10,758	5,621	5,097	2,586
205,852	149,326	153,485	152,694
270,437	163,002	201,368	166,086

8.2 Particulars of credit loss allowance against advances

Opening balance
IFRS 9 impact
Charge for the period / year
Reversals
Amounts written off
Closing balance

(Un-audited) September 30, 2025				(Audited) December 31, 2024			
Stage 3	Stage 2	Stage 1	Total	Stage 3	Stage 2	Stage 1	Total
-	-	-	-	-	-	-	-
166,086	5,610	69	171,765	173,749	7,634	24,593	205,976
46,916	5,903.00	450.00	53,269	-	-	-	-
-	-	-	-	(7,663)	(2,024)	(24,524)	(34,211)
-	-	-	-	-	-	-	-
213,002	11,513	519	225,034	166,086	5,610	69	171,765

8.2.1 The credit loss allowance assessed on stage 1 and stage 2 amounts to Rs. 50,450 thousand and Rs.5903thousand respectively.

8.3 Advances - Particlurs of credit loss allowance

(Un-audited) September 30, 2025				
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
8.3.1 Opening Balance	-	-	-	-
IFRS 9 impact	4,302,706	88,030	201,368	4,592,104
Gross carrying amount	4,302,706	88,030	201,368	4,592,104
New advances	645,760	63,547.00	-	709,307
Advances derecognised or repaid	(431,007)	16,729	(40,209)	(454,488)
Transfer to stage 1	493,572	(18,075)	(475,497)	-
Transfer to stage 2	(46,688)	56,351	(9,663)	-
Transfer to stage 3	(49,658)	(23,979)	73,637	-
	611,978	94,572	(451,732)	254,819
Change in Exposure	131,104	71,186	(20,073)	182,217
Total movement in advances - exposure	743,082	165,758	(471,805)	437,036
Amounts written off / charged off	-	-	-	-
Closing balance	5,045,788	253,788	(270,437)	5,029,140

Advances - Credit loss allowance

(Un-audited)				
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
8.3.2 Opening Balance	-	-	-	-
IFRS 9 impact	69	5,610	166,086	171,765
Gross carrying amount	69	5,610	166,086	171,765
New advances	2,499	-	-	2,499
Advances derecognized or repaid	(6)	(36)	(8,839)	(8,881)
Transfer to stage 1	(7,213)	1,974	5,239	-
Transfer to stage 2	8	(508)	500	-
Transfer to stage 3	2,007	1,008	(3,015)	-
	(2,705)	2,438	(6,115)	(6,382)
Change in Exposure	3,155	3,465	3,121	9,741
Total movement in advances - exposure	450	5,903	(2,994)	3,359
Amounts written off / charged off	-	-	(90)	(90)
Closing balance	519	11,513	163,002	175,034

(Audited) December 31, 2024				
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
	-	-	-	-
	3,716,965	88,537	598,884	4,404,386
	3,716,965	88,537	598,884	4,404,386
	1,077,350	2,508	-	1,079,858
	(841,343)	21,722	(53,612)	(873,233)
	391,429	(24,100)	(367,329)	-
	(62,250)	75,134	(12,884)	-
	(66,211)	(7,976)	74,187	-
	498,975	67,288	(359,638)	206,625
	86,766	(67,796)	(37,749)	(18,778)
	585,741	(508)	(397,387)	187,847
	-	-	(129)	(129)
	4,302,706	88,030	201,368	4,592,104

(Audited)				
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
	-	-	-	-
	24,593	7,634	173,749	205,976
	24,593	7,634	173,749	205,976
	16	286	-	302
	(6,966)	(792)	9,305	1,547
	23,537	(3,708)	(19,829)	-
	(12,263)	14,351	(2,088)	-
	(1,372)	(1,095)	2,467	-
	2,952	9,042	(10,145)	1,849
	(27,476)	(11,066)	2,353	(36,189)
	(24,524)	(2,024)	(7,792)	(34,340)
	-	-	129	129
	69	5,610	166,086	171,765

		(Un-audited) September 30, 2025			
8.3.3	Advances - Credit loss allowance details	Stage 1	Stage 2	Stage 3	Total
	Internal / External rating / stage classification	----- Rupees in '000 -----			
	Domestic				
	Outstanding gross	5,045,788	253,788	-	5,029,140
	Performing - Stage 1	5,045,788			5,045,788
	Under Performing - Stage 2		203,788		203,788
	Non-performing - Stage 3				
	Other Assets Especially Mentioned (OAEM)	-	-	1	1
	Substandard	-	-	53,826	53,826
	Doubtful	-	-	10,758	10,758
	Loss	-	-	205,852	205,852
		-	-	270,437	270,437
	Total	5,045,788	253,788	(270,437)	4,979,139
	Corresponding ECL				
	Stage 1 and stage 2	(519)	(11,513)	-	(12,032)
	Stage 3	-	-	(163,002)	(163,002)
		5,045,269	242,275	(107,435)	4,804,105

8.4 Particulars of write offs:

Against credit loss allowance
Directly charged to profit and loss account

	2025	2024
	-	129
	-	-
	-	129

8.5 The FSV benefit availed under IFRS 9 Expected credit loss method as at March 31, 2025 is Nil (Under Prudential regulation, 2024: Rs. 2,015 thousand). The Financial institutions are advised to consider only those collaterals as eligible collateral in the Exposure at default (EAD) calculation, which have the characteristic of Legal enforceability and history of enforceability and recovery. As the bank has no history of enforceability and history therefore no collateral has been adjusted whilst calculating EAD.

		(Audited) December 31, 2024			
		Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----				
	Domestic				
	Outstanding gross	4,302,706	-	-	-
	Performing - Stage 1	-	88,030		-
	Under Performing - Stage 2		-		-
	Non-performing - Stage 3				
	Other Assets Especially Mentioned (OAEM)	-	-	7,497.00	7,497
	Substandard	-	-	35,289.00	35,289
	Doubtful	-	-	5,097.00	5,097
	Loss	-	-	153,485.00	153,485
		-	-	201,368	201,368
	Total	4,302,706	88,030	201,368	4,592,104
	Corresponding ECL				
	Stage 1 and stage 2	(69)	(5,610)	-	(5,679)
	Stage 3	-	-	(166,086)	(166,086)
		4,302,637	82,420	35,282	4,420,339

		(Un-audited)	(Audited)
		September	December
		30, 2025	31, 2024
		-----Rupees in '000-----	
9	PROPERTY AND EQUIPMENT		
	Capital work-in-progress	52,026	17,653
	Property and equipment	336,783	310,371
		388,809	328,024
9.1	Capital work-in-progress		
	Advances to suppliers	52,026	17,653
9.1.1	This represents advances to suppliers in respect of purchase of furniture and fixture.		
9.2	Additions to fixed assets	(Un-audited)	(Audited)
		September	December
		30, 2025	31, 2024
		-----Rupees in '000-----	
	Capital work-in-progress	52,026	17,653
	Property and equipment		
	Freehold land	-	-
	Leasehold Improvements	3,852	25,355
	Furniture and fixture	4,332	21,895
	Computer equipment	6,265	22,858
	Vehicles	7,700	-
	Electrical office and computer equipment	5,069	18,167
		27,218	88,275
	Total	79,244	105,928
		(Un-audited)	(Audited)
		September	December
		30, 2025	31, 2024
		-----Rupees in '000-----	
10	RIGHT-OF-USE ASSETS		
	Buildings		
	At January 1st	208,025	288,629
	Cost	-	-
	Accumulated Depreciation	-	(148,020)
	Net Carrying amount at January 1st	208,025	140,609
	Additions during the year	76,047	113,923
	Deletions during the year	(23,127)	-
	Depreciation Charge for the year	(27,543)	(46,507)
	Net Carrying amount at June 30th	233,402	208,025
		(Un-audited)	(Audited)
		September	December
		30, 2025	31, 2024
		-----Rupees in '000-----	
11	DEFERRED TAX ASSETS		
	Taxable temporary differences on :		
	- Accelerated tax depreciation	(131,328)	(109,028)
	Deductible temporary differences on :		
	-Provision against receivable from Kashmir Council	2,432	2,600
	-Provision against customer claims	7,578	9,003
	-Deficit on revaluation of investments		(378)
	-Lease liability against right of used assets	110,918	117,451
	-Impact of IFRS 09	224,790	97,902
	- Provision against non-performing advances	82,674	146,267
		428,392	372,845
	Net deferred tax asset	297,064	263,817

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
12 OTHER ASSETS			
Income/ mark-up accrued in local currency - net of provision	12.1	3,422,849	3,430,289
Advances, deposits, advance rent and other prepayments		46,532	11,790
Stationery and stamps in hand		16,466	12,240
Deferred Cost benefit on Staff Advances		352,253	352,253
Branch adjustment account		18,749	-
Others		138,913	13,699
		3,995,762	3,820,271
Less: Credit loss allowance held against other assets	12.2	(4,815)	(4,815)
Other assets - net of provision		3,990,947	3,815,456

12.1 This balance has been arrived at after adjusting interest in suspense account of Rs.186,944 thousand (2024: Rs. 172,066 thousand).

12.2 Credit loss allowance held against other assets

Receivable from Kashmir Council	4,815	4,815
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		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
13 BILLS PAYABLE			
In Pakistan		18,566	37,951

14 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	September 30, 2025			December 31, 2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
-----Rupees in '000-----						
Customers						
Current deposits	7,875,213	-	7,875,213	6,902,519	-	6,902,519
Savings deposits	30,163,792	-	30,163,792	16,089,158	-	16,089,158
Term deposits	9,124,290	-	9,124,290	16,994,568	-	16,994,568
Others	22,047	-	22,047	143,140	-	143,140
	47,185,342	-	47,185,342	40,129,385	-	40,129,385

		-----Unaudited-----	
		For the quarter ended Sep. 30, 2025	For the quarter ended Sep. 30, 2024
		-----Rupees in '000-----	
19	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	596,592	527,578
	Investments	1,713,320	
	Balances with banks	3,190,310	4,888,379
		<u>5,500,222</u>	<u>5,415,957</u>
19.1	Interest income (calculated using effective interest rate method) recognised on:		
	Financial assets measured at amortised cost;	-	
20	MARK-UP/RETURN/INTEREST EXPENSED		
	Deposits	3,090,387	3,120,597
	Liabilities against assets subject to finance lease	11,614	-
		<u>3,102,001</u>	<u>3,120,597</u>
21	FEE & COMMISSION INCOME		
	Branch banking customer fees	10,769	2,836
	Commission on cheque books	10,631	9,671
	Credit related fees	14,797	9,872
	Commission on guarantees	1,424	1,893
	Commission on remittances	807	2,171
	Commission on insurance	133	-
	Commission on utility bills	4,543	3,403
	Postages charges	3,774	735
	Others	890	538
		<u>47,768</u>	<u>31,119</u>
22	OTHER INCOME		
	Gain on sale of fixed assets	-	-
	Site visits and fee collection charges	37,739	8,157
	Write offs recovered	-	-
	Other income	-	50,997
		<u>37,739</u>	<u>59,154</u>
23	OPERATING EXPENSES		
	Total compensation expense	534,237	561,934
	Property expense		
	Rent & taxes		54,235
	Insurance	22,738	-
	Utilities cost	30,433	29,931
	Security (including guards)	59,755	60,288
	Repair & maintenance (including janitorial charges)	91,584	16,763
	Depreciation on right-of-use assets	43,688	-
	Depreciation on owned fixed assets	<u>8,373</u>	<u>10,272</u>
		256,571	171,489
	Information technology expenses		
	Software maintenance	-	19,261
	Hardware maintenance	6,177	6,527
	Depreciation	<u>14,562</u>	<u>14,099</u>
	Network charges	11,775	14,550
		<u>32,514</u>	<u>54,437</u>

Scanned with

December 31, 2024 (Audited)				
Carrying Value	Level 1	Level 2	Level 3	Total
-----Rupees in '000-----				
Forward purchase of foreign exchange	-	-	-	-
Forward sale of foreign exchange	-	-	-	-
Forward agreements for lending	-	-	-	-
Forward agreements for borrowing	-	-	-	-
Derivatives purchases	-	-	-	-
Derivatives sales	-	-	-	-
-	-	-	-	-

29 Segment details with respect to business activities

For the Nine month ended September 30, 2025 (Un-audited)

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
-----Rupees in '000-----					
Net mark-up/return/profit	476,967	1,907,868	-	-	2,384,835
Non mark-up/return/interest income	219	18,723	67,480	2,736	89,158
Total Income	477,186	1,926,591	67,480	2,736	2,473,993
Segment direct expenses	82,667	936,128	16,288	630	1,035,713
Total expenses	82,667	936,128	16,288	630	1,035,713
Credit loss allowance	53,269	-	-	-	(53,269)
Profit before tax	341,250	990,463	51,192	2,106	1,385,011

As at September 30, 2025 (Un-audited)

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
-----Rupees in '000-----					
Cash & bank balances	-	44,835,398	-	-	44,835,398
Investments	-	3,432,439	-	-	3,432,439
Advances - performing	4,079,202	1,081,723	-	-	5,160,925
- non-performing	(76,292)	296,760	-	-	220,468
- provision	(95,081)	(129,953)	-	-	(225,034)
	3,907,829	1,248,530	-	-	5,156,359
Operating fixed assets	49,663	562,385	9,785	378	622,211
Deferred tax asset	23,711	268,501	4,672	180	297,064
Others	3,159,943	1,121,464	219,549	(294,133)	4,206,823
Total assets	7,141,146	51,468,717	234,006	(293,575)	58,550,294
Bills payable	-	18,566	-	-	18,566
Deposits & other accounts	-	47,185,342	-	-	47,185,342
Lease liability	44,082	198,061	3,184	122	245,449
Others	(214,206)	2,947,160	306,086	28	3,039,068
Total liabilities	(170,124)	50,349,129	309,270	150	50,488,425
Equity	3,859,921	2,271,308	187,741	117	8,061,869
Total equity & liabilities	3,689,797	52,620,437	497,011	267	58,550,294
Contingencies & Commitments	34,821	220,695	17,239	50,854	323,609

For the Nine Month ended September 30, 2024 (Un-audited)

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
-----Rupees in '000-----					
Net mark-up/return/profit	464,459	1,727,966	-	-	2,192,425
Non mark-up/return/interest income	155	16,818	53,860	2,083	72,916
Total Income	464,614	1,744,784	53,860	2,083	2,265,341
Segment direct expenses	76,614	867,582	15,096	583	959,875
Total expenses	76,614	867,582	15,096	583	959,875
Provisions (reversal)	3,474	(68,409)	-	-	(64,935)
Profit before tax	384,526	945,611	38,764	1,500	1,370,401

As at December 31, 2024 (Audited)

Statement of financial Position

	Retail Banking	Commercial Banking	Payment and Settlement	Agency Services	Total
-----Rupees in '000-----					
Cash & Bank balances	-	26,601,397	-	-	26,601,397
Investments	-	18,377,198	-	-	18,377,198
Advances - performing	3,557,472	833,264	-	-	4,390,736
- non-performing	115,974	85,394	-	-	201,368
- provision	(104,033)	(67,732)	-	-	(171,765)
Operating fixed assets	42,224	484,968	4,154	4,703	536,049
Deferred tax asset	20,781	238,677	2,044	2,315	263,817
Others	215,920	398,020	2,985	3,380	620,305
Total assets	3,848,338	46,951,186	9,183	10,398	50,819,105
Bills payable	-	37,951	-	-	37,951
Deposits & other accounts	-	40,129,385	-	-	40,129,385
Lease Liabilities	17,132	196,775	1,686	1,908	217,501
Others	104,016	2,853,685	305,798	217	3,263,716
Total liabilities	121,148	43,217,796	307,484	2,125	43,648,553
Equity	3,727,190	3,733,390	(298,301)	8,273	7,170,552
Total equity & liabilities	3,848,338	46,951,186	9,183	10,398	50,819,105
Contingencies & commitments	68,731	139,546	27,597	230,923	466,797

30 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 period 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.

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 contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

(Un-audited) September 30, 2025			(Audited) December 31, 2024		
Directors	Government of AJK and its related department	Key management personnel	Directors	Government of AJK and its related department	Key management personnel
Rupees in '000					
Advances					
Opening balance	-	264,822	-	-	163,138
Additions / (decrease) during the period / year	-	40,341	-	-	101,684
Closing balance	-	305,163	-	-	264,822
Provision held against advances	-	-	-	-	-
Other assets	-	-	-	-	-
Deposits and other accounts					
Opening balance	-	24,195,706	-	10,725,976	3,239
(Paid) / Received during the period / year - Net	-	1,875,602	-	13,469,730	1,899
Closing balance	-	26,071,308	-	24,195,706	5,138
Other Liabilities					
Interest / mark-up payable	-	1,634,016	900,193	-	-

RELATED PARTY TRANSACTIONS

(Un-audited) For the Nine month ended September 30, 2025			(Un-audited) For the Nine month ended September 30, 2024		
Directors	Government of AJK and its related department	Key management personnel	Directors	Government of AJK and its related department	Key management personnel
(Rupees in '000)					
Income					
Mark-up / return / interest earned	-	4,951	-	-	3,961
Expense					
Mark-up / return / interest paid	-	202,969	-	634,708	98
Directors' fees and allowances	-	13,213	8,490	-	-
	-	216,182	8,490	634,708	98

31 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

(Un-audited) September 30, 2025
(Audited) December 31, 2024

-----Rupees in '000-----

10,000,000	10,000,000
5,957,089	5,957,089

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)

7,843,315	6,940,975
-	-
-	-
7,843,315	6,940,975
60,944	889
7,904,259	6,941,864

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

12,795,000	9,248,809
141,485	139,248
3,549,114	4,198,769
16,485,599	13,586,826

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

47.58%	51.09%
47.58%	51.09%
47.95%	51.09%

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio

7,843,315	6,940,975
58,305,775	32,964,403
13%	21%

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs.10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the period ended June 30, 2024 stood at Rs.5,957 million (2023: Rs.5,529 million). Banks are also required to maintain a minimum CAR of 10.00% plus capital conservation buffer of 2.50% and High Loss Absorbency Requirement of 1.00% of the risk weighted exposures of the Bank.

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.00% and 7.50%, respectively, as at September 30, 2025.

Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigates are applied against the Bank's exposures based on eligible collateral under comprehensive approach.

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

(Un-audited) September 30, 2025
(Audited) December 31, 2024

-----Rupees in '000-----

44,835,398	26,601,397
28,489,082	25,988,733
157%	102%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

22,183,626	21,281,286
12,998,161	14,009,832
171%	152%

32 GENERAL

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

32.2 Corresponding Figures from Note 5, Note 6 and Note 8 amounting to Rs. 632,895 thousand, Rs 2,562,256 thousand and Rs.100,610 thousand respectively have been reclassified to 12 for better understanding and presentation.

33 DATE OF AUTHORISATION FOR ISSUE

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

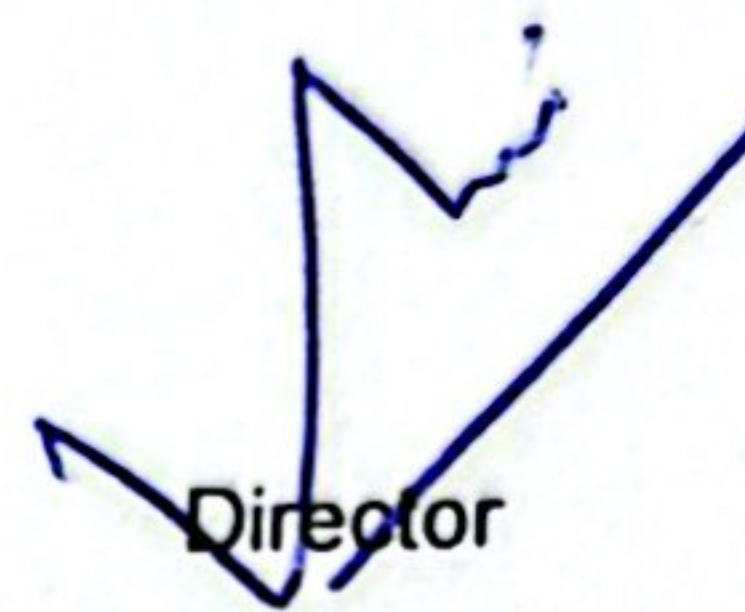
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President/CEO



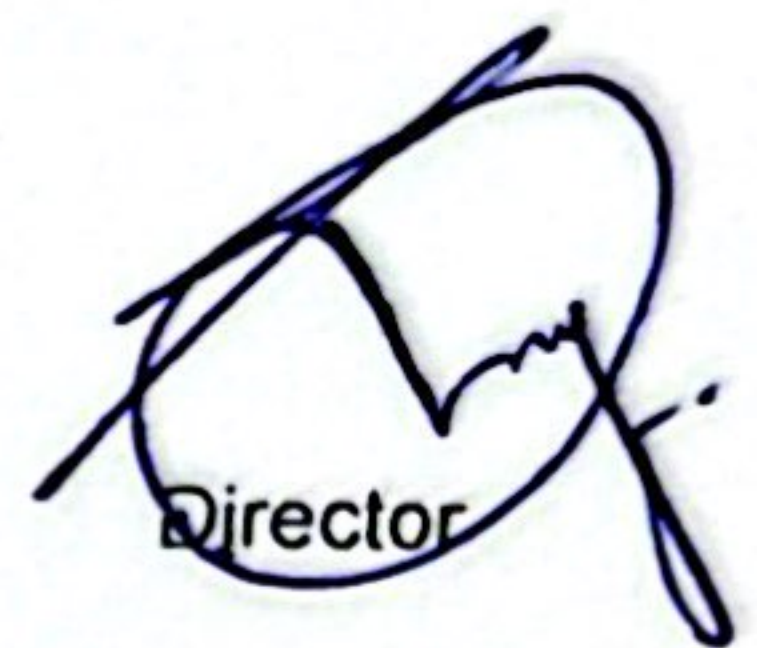
Chief Financial Officer



Director



Director



Director