ZARAI TARAQIATI BANK LIMITED

UNCONSOLIDATED CONDENSED INTERIM

FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED

MARCH 31, 2026

ZARAI TARAQIATI BANK LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
		...... Rupees in '000	
ASSETS			
Cash and balances with treasury banks	6	2,850,026	4,436,051
Balances with other banks	7	9,766,539	52,679,896
Lendings to financial institutions	8	9,653,272	3,391,997
Investments	9	410,795,246	343,879,951
Advances	10	122,444,783	123,908,203
Property and equipment	11	1,965,046	2,056,648
Right-of-use assets	12	1,063,407	1,026,709
Intangible assets	13	73,338	97,908
Deferred tax assets	14	9,711,966	7,866,994
Other assets	15	26,414,613	27,665,158
Total Assets		594,738,236	567,009,515
LIABILITIES			
Bills payable	17	375,114	652,106
Borrowings	18	418,642,400	382,813,041
Deposits and other accounts	19	49,643,570	59,489,419
Lease liabilities	20	1,179,848	1,141,258
Sub-ordinated loan		-	-
Deferred tax liabilities		-	-
Other liabilities	21	29,319,084	28,133,575
Total Liabilities		499,160,016	472,229,399
NET ASSETS		95,578,220	94,780,116
REPRESENTED BY			
Share capital		52,678,432	52,678,432
Reserves		14,955,442	14,513,625
Surplus on revaluation of assets	22	1,989,937	3,400,919
Unappropriated profit		25,954,409	24,187,140
		95,578,220	94,780,116
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

ZARAI TARAQIATI BANK LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2026

	Note	March 31, 2026	March 31, 2025
		Period ended	
		...... Rupees in '000	
Mark-up / return / interest earned	24	14,160,420	17,954,565
Mark-up / return / interest expensed	25	8,062,680	11,443,644
Net mark-up / interest income		6,097,740	6,510,921
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	543,687	230,197
Dividend income		-	-
Foreign exchange income / (loss)		-	-
Income / (loss) from derivatives		-	-
Gain on securities	27	98,971	192,429
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	28	1,058,952	469,457
Total non-mark-up / interest income		1,701,610	892,083
Total income		7,799,350	7,403,004
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	3,916,856	3,331,351
Workers welfare fund		-	-
Other charges		-	-
Total non mark-up / interest expenses		3,916,856	3,331,351
Profit before credit loss allowance		3,882,494	4,071,653
Credit loss allowance and write offs - net	30	371,014	(1,153,310)
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		3,511,480	5,224,963
Taxation	31	1,302,394	2,556,526
PROFIT AFTER TAXATION		2,209,086	2,668,437
		...... Rupees in '000	
Basic earnings per share (Rupees)	32	0.42	0.51
Diluted earnings per share (Rupees)	32	0.42	0.51

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

ZARAI TARAQIATI BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2026

	Period ended	
	March 31, 2026	March 31, 2025
	... Rupees in '000 ...	
Profit after taxation for the period	2,209,086	2,668,437
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	(1,410,982)	(394,766)
Items that will not be reclassified to profit and loss account in subsequent periods:	-	-
Total comprehensive income	798,104	2,273,671

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

Decrease in cash and cash equivalents

ZARAI TARAQIATI BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2026

	Share capital	Statutory reserve	Contingencies reserve	Surplus on revaluation of investments	Un-appropriated profit	Total
	……… Rupees in '000 ………					
Balance as at January 1, 2025	52,678,432	12,053,062	60,000	2,244,829	15,341,495	82,377,818
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	(946,689)	(946,689)
Balance as at January 01, 2025 - as restated	52,678,432	12,053,062	60,000	2,244,829	14,394,806	81,431,129
Profit after taxation for quarter ended March 31, 2025	-	-	-	-	2,668,437	2,668,437
Other comprehensive loss for quarter ended March 31, 2025	-	-	-	(394,766)	-	(394,766)
Total comprehensive income / (loss) for quarter ended March 31, 2025	-	-	-	(394,766)	2,668,437	2,273,671
Transferred to statutory reserve	-	533,687	-	-	(533,687)	-
Balance as at March 31, 2025	52,678,432	12,586,749	60,000	1,850,063	16,529,556	83,704,800
Profit after taxation for nine months period ended December 31, 2025	-	-	-	-	9,334,376	9,334,376
Other comprehensive income for nine months period ended December 31, 2025	-	-	-	1,550,856	190,084	1,740,940
Total comprehensive income for nine months period ended December 31, 2025	-	-	-	1,550,856	9,524,460	11,075,316
Preference shares	-	-	-	-	-	-
Transferred to statutory reserve	-	1,866,876	-	-	(1,866,876)	-
Balance as at December 31, 2025	52,678,432	14,453,625	60,000	3,400,919	24,187,140	94,780,116
Profit after taxation for the quarter ended March 31, 2026	-	-	-	-	2,209,086	2,209,086
Other comprehensive loss for the quarter ended March 31, 2026	-	-	-	(1,410,982)	-	(1,410,982)
Total comprehensive income / (loss) for the quarter ended March 31, 2026	-	-	-	(1,410,982)	2,209,086	798,104
Transferred to statutory reserve	-	441,817	-	-	(441,817)	-
Balance as at March 31, 2026	52,678,432	14,895,442	60,000	1,989,937	25,954,409	95,578,220

Statutory reserves represent reserve maintained as per requirement of Section 21 of the Banking Companies Ordinance, 1962.

The Bank has set aside contingencies reserve for insurance of cash, building and vehicles.

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

ZARAI TARAQIATI BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2026

	Note	Period ended March 31, 2026	Period ended March 31, 2025
		...... Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit / (loss) before working capital changes	33	188,592	(34,131)
(Increase) / decrease in operating assets:			
Lendings to financial institutions		(6,262,150)	16,793,920
Securities classified as FVPL		2,176,314	3,420,389
Advances		(360,046)	(488,423)
Other assets (excluding advance taxation)		(497,552)	(1,070,688)
		(4,943,434)	18,655,198
Increase / (decrease) in operating liabilities:			
Bills payable		(276,992)	37,878
Borrowings from financial institutions		35,829,359	(23,505,443)
Deposits and other accounts		(9,845,849)	1,088,771
Other liabilities		336,260	178,162
		26,042,778	(22,200,632)
Interest received		15,888,944	17,375,855
Interest paid		(7,778,929)	(12,257,084)
Employees' benefits paid		(207,626)	(187,436)
Income tax paid		(1,529,931)	(1,426,812)
Net cash flow generated / (used in) from operating activities		27,660,394	(75,042)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(72,115,761)	(5,095,836)
Realised gain on sales of securities		98,998	192,429
Investments in property and equipment		(42,296)	(97,438)
Proceeds from sale of property and equipment		5,068	1,499
Net cash used in investing activities		(72,053,991)	(4,999,346)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(111,679)	(88,652)
Decrease in cash and cash equivalents		(44,505,276)	(5,163,040)
Cash and cash equivalents at beginning of the period		57,123,211	10,619,822
Cash and cash equivalents at end of the period	34	12,617,935	5,456,782

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

ZARAI TARAQIATI BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2026

1 STATUS AND NATURE OF BUSINESS

1.1 Reorganization and conversion

The Federal Government in its cabinet meeting held on August 28, 2002 decided for the reorganization and conversion of Agricultural Development Bank of Pakistan (ADBP) into a public limited Company for the purposes of ensuring good governance, autonomy, delivering high quality and viable financial services to a greater number of rural clientele and adequate returns to stakeholders. Accordingly, the Agricultural Development Bank of Pakistan (Reorganization and Conversion) Ordinance, 2002 was promulgated for taking over the entire undertaking of ADBP and for matters connected therewith or incidental thereto.

1.2 Status

As required under section 3 of the Agricultural Development Bank of Pakistan (Reorganization and Conversion) Ordinance, 2002, Zarai Taraqiati Bank Limited ("the Bank") was incorporated as a public limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on October 23, 2002. Consequently, under SRO 823(1)/2002 dated November 18, 2002, all the assets, contracts, liabilities, proceedings and undertakings of ADBP were transferred to, and vested in Zarai Taraqiati Bank Limited on December 14, 2002, the effective date specified by the Federal Government, on the basis of net worth determined at Rs. 8.7 billion. The Bank is domiciled in Pakistan and its registered office is situated at 1-Faisal Avenue (Zero Point), Islamabad. The Bank operates 501 (December 31, 2025: 501) branches including 25 (December 31, 2025: 25) Islamic banking branches in Pakistan as at the close of the period.

1.3 Nature of business

The main purpose of the Bank is to provide sustainable rural finance and services particularly to small farmers and low-income households to strengthen the rural and agricultural sector, mitigate poverty, capital market and investment activities and other banking business.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements (un-audited) have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. These comprise of:

- International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP).

In case requirements of the Companies Act, 2017, the Banking Companies Ordinance, 1962, or the provisions of and directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Companies Act, 2017, Banking Companies Ordinance, 1962, and the said directives shall prevail.

The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 04, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard (IFAS) 3, Profit and loss sharing on Deposits. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements (un-audited). However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

The disclosures made in these condensed interim financial statements (un-audited) have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 9, 2023 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of annual financial statements, and should be read in conjunction with the financial statements (audited) of the Bank for the year ended December 31, 2025.

2.2 These condensed interim financial statements (un-audited) represents the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary company is presented separately.

2.3 The financial results of the Islamic banking branches have been consolidated in these condensed interim financial statements for reporting purposes, after eliminating interbranch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 37 to these condensed interim financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements (un-audited) are consistent with those applied in the preparation of the annual financial statements (audited) of the Bank for the year ended December 31, 2025.

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

During the period, there are certain new and amended standards, interpretations and improvements to accounting standards that became effective. However, these are considered either not to be relevant or not to have any material effect on the financial statements of the Bank and, therefore, are not disclosed.

3.2 Standards, Interpretations and amendments to approved accounting standards that are not yet effective

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. The Bank expects that adoption of the same will not affect its financial statements in the period of initial application.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements (un-audited) are the same as that applied in the preparation of the financial statements (audited) for the year ended December 31, 2025.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements (audited) of the Bank for the year ended December 31, 2025.

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Rupees in '000	

6 CASH AND BALANCES WITH TREASURY BANKS

In hand		
Local currency	1,182,352	1,922,789
With State Bank of Pakistan in:		
Local currency current account	1,248,718	1,441,240
With National Bank of Pakistan in:		
Local currency current account	150,024	443,992
Local currency deposit account	267,139	626,209
	417,163	1,070,201
Prize bonds	1,793	1,821
	2,850,026	4,436,051
Less: credit loss allowance held against cash and balances with treasury banks	-	-
Cash and balances with treasury banks - net of credit loss allowance	2,850,026	4,436,051

7 BALANCES WITH OTHER BANKS

In Pakistan		
In current accounts	85,870	158,051
In deposit accounts	9,682,039	52,529,109
	9,767,909	52,687,160
Less: credit loss allowance held against balances with other banks	(1,370)	(7,264)
Balances with other banks - net of credit loss allowance	9,766,539	52,679,896

8 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	2,000,000	-
Musharakah lending	-	3,000,000
Repurchase agreement lendings (reverse repo)	7,262,150	-
Bai Muajjal receivable		
With State Bank of Pakistan	392,418	392,418
	9,654,568	3,392,418
Less: credit loss allowance held against lending to financial institutions	(1,296)	(421)
Lendings to financial institutions - net of credit loss allowance	9,653,272	3,391,997

8.1 Lending to financial institutions - Particulars of credit loss allowance

		March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
		Rupees in '000			
Domestic					
Performing	Stage 1	9,654,568	1,296	3,392,418	421
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		9,654,568	1,296	3,392,418	421

9 INVESTMENTS

9.1 Investments by types

	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Cost / amortised cost	Credit Loss Allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit Loss Allowance	Surplus / (deficit)	Carrying value
	………………..………………….. Rupees in '000 ………………..…………………..							
FVTPL								
Federal Government securities	8,058	-	(27)	8,031	2,173,597	-	10,775	2,184,372
	8,058	-	(27)	8,031	2,173,597	-	10,775	2,184,372
FVOCI								
Federal Government securities	404,304,891	-	819,023	405,123,914	332,164,356	-	3,775,071	335,939,427
Shares	99,819	(10,523)	3,244,193	3,333,489	99,819	(10,523)	3,334,712	3,424,008
Non Government Debt securities	2,232,216	(284)	(2,120)	2,229,812	2,256,990	(310)	(24,536)	2,232,144
	406,636,926	(10,807)	4,061,096	410,687,215	334,521,165	(10,833)	7,085,247	341,595,579
Subsidiary	100,000	-	-	100,000	100,000	-	-	100,000
Total investments	406,744,984	(10,807)	4,061,069	410,795,246	336,794,762	(10,833)	7,096,022	343,879,951

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Rupees in '000	

9.1.1 Investments given as collateral

Market Treasury bills	95,407,724	40,196,484
Pakistan Investment Bonds	247,177,208	237,436,977
	342,584,932	277,633,461

9.2 Credit loss allowance for diminution in value of investments

Opening balance	10,833	10,877
Exchange adjustments	-	-
Charge / reversals		
Charge for the period / year	-	-
Reversals for the period / year	(26)	(44)
Reversal on disposals	-	-
	(26)	(44)
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	10,807	10,833

9.3 Particulars of credit loss allowance against debt securities

		March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		Rupees in '000			
Domestic					
Performing	Stage 1	407,362,041	284	340,356,253	310
Under performing	Stage 2	-		-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
		407,362,041	284	340,356,253	310

10 ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) March 31, 2026	(Audited) December 31, 2025	(Un-audited) March 31, 2026	(Audited) December 31, 2025	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	……………………………… Rupees in '000 ………………………………					
Loans, cash credits, running finance, etc.	115,825,253	116,549,826	25,197,864	24,144,677	141,023,117	140,694,503
Islamic financing and related assets	139,560	108,128.00			139,560	108,128
Advances - gross	115,964,813	116,657,954	25,197,864	24,144,677	141,162,677	140,802,631
Credit loss allowance against advances:						
-Against agriculture advances						
-Stage 1	491,724	526,981	-	-	491,724	526,981
-Stage 2	402,873	330,674	-	-	402,873	330,674
-Stage 3	-	-	14,784,033	12,996,086	14,784,033	12,996,086
-Against Staff advances	430	406	38,834	40,281	39,264	40,687
-General	3,000,000	3,000,000	-	-	3,000,000	3,000,000
	3,895,027	3,858,061	14,822,867	13,036,367	18,717,894	16,894,428
Advances - net of credit loss allowance	112,069,786	112,799,893	10,374,997	11,108,310	122,444,783	123,908,203

10.1 Particulars of advances (gross)

In local currency	141,162,677	140,802,631

10.2 Advances include Rs. 25,155.116 million (December 31, 2025: Rs. 24,101.695 million) relating to agricultural financing which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2026 (Un-audited) Non performing loans	March 31, 2026 (Un-audited) Credit loss allowance / provision	December 31, 2025 (Audited) Non performing loans	December 31, 2025 (Audited) Credit loss allowance / provision
	………….…. Rupees in '000 ………..…….			
Domestic				
Other assets especially mentioned - Stage 2	2,695,123	-	3,411,095	-
Other assets especially mentioned - Stage 3	4,194,581	1,509,179	3,568,098	1,196,165
Substandard	4,871,558	1,793,833	5,069,962	1,955,803
Doubtful	5,500,726	3,410,661	5,633,844	3,420,489
Loss	7,893,128	8,070,360	6,418,696	6,423,629
	22,459,993	14,784,033	20,690,600	12,996,086
	25,155,116	14,784,033	24,101,695	12,996,086

10.3 **Particulars of credit loss allowance against advances**

	March 31, 2026 (Un-audited) Stage 3	Stage 2	Stage 1	General	Total
	………………………...… Rupees in '000 ……………...…………				
Opening balance	12,996,086	330,674	526,981	3,000,000	16,853,741
Charge for the period	2,697,342	388,967	222,417	-	3,308,726
Reversals	(909,395)	(316,768)	(257,674)	-	(1,483,837)
	1,787,947	72,199	(35,257)	-	1,824,889
Amounts written off (Note 11.4)	-	-	-	-	-
Amounts charged off	-	-	-	-	-
Closing balance	14,784,033	402,873	491,724	12,721,240	18,678,630

	December 31, 2025 (Audited)				
	Stage 3	Stage 2	Stage 1	General	Total
	………………………..… Rupees in '000 ……………….…………				
Opening balance	13,270,932	2,588,742	581,916	3,000,000	19,441,590
Charge for the period	4,654,443	326,298	408,475	-	5,389,216
Reversals	(4,929,289)	(2,584,366)	(463,410)	-	(7,977,065)
	(274,846)	(2,258,068)	(54,935)	-	(2,587,849)
Amounts charged off	-	-	-	-	-
Closing balance	12,996,086	330,674	526,981	3,000,000	16,853,741

10.3.2 Regulations R-11, R-12, R-13 and R-15 of the Prudential Regulations for Agriculture Financing prescribe minimum standards for classification and provisioning of non-performing loans. As per the time based criteria given in the aforesaid Regulations, provision against non-performing loans is to be made at a given percentage of the difference resulting from the outstanding balance of principal less the amount of realizable liquid assets and a given percentage of the value of mortgaged lands and buildings at the time of sanction of the loans. However, as a matter of prudence the Bank has not availed the benefit of allowed value of mortgaged lands and buildings while computing the provision

10.3.3 In addition to the time based criteria, the Bank has further classified loans and advances amounting to Rs. 1,044.160 million (December 31, 2025: 1,172.832 million) and further de-graded the category of classified loans and advances amounting to Rs. 1,597.860 million (December 31, 2025: Rs. 2,178.313 million) on the basis of credit worthiness of the borrowers in accordance with the subjective criteria of the Prudential Regulations for Agriculture Financing.

10.4 Advances - Particulars of credit loss allowance

	March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	………………………………. Rupees in '000 ……….………………………					
10.4.1 Opening Balances	526,981	330,674	12,996,086	581,916	2,588,742	13,270,932
New advances	137,962	276,340	928,136	85,544	297,586	1,570,347
Advances derecognised or repaid	(84,668)	(47,185)	(1,126,113)	(708,788)	(784,978)	(4,444,514)
Transfer to stage 1	9,125	(696)	(8,430)	738,451	(318,525)	(419,926)
Transfer to stage 2	(113,943)	123,164	(9,221)	(25,070)	44,027	(18,957)
Transfer to stage 3	(2,731)	(273,941)	276,672	(56,544)	(1,483,759)	1,540,304
	(54,255)	77,682	61,044	33,593	(2,245,649)	(1,772,746)
Amounts written off / charged off				-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	18,998	(5,483)	1,726,903	(88,528)	(12,419)	1,497,900
Closing balance	491,724	402,873	14,784,033	526,981	330,674	12,996,086

10.4.2 Advances - Category of classification

Domestic		March 31, 2026 (Un-audited) Outstanding amount	Credit loss allowance held	December 31, 2025 (Audited) Outstanding amount	Credit loss allowance held
		……………… Rupees in '000 ………………			
Performing	Stage 1	107,188,556	491,724	115,441,414	526,981
Under performing	Stage 2	10,409,673	402,873	3,642,762	330,674
Non-Performing	Stage 3				
Other assets especially mentioned		4,194,581	1,509,179	3,568,098	1,196,165
Substandard		4,871,558	1,793,833	5,069,962	1,955,803
Doubtful		5,500,726	3,410,661	5,633,844	3,420,489
Loss		7,893,128	8,070,360	6,418,696	6,423,629
		22,459,993	14,784,033	20,690,600	12,996,086
Total		140,058,222	15,678,630	139,774,776	13,853,741

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
		Rupees in '000	

11 PROPERTY AND EQUIPMENT

	Note	March 31, 2026	December 31, 2025
Capital work-in-progress	11.1	60,634	277,325
Property and equipment		1,904,412	1,779,323
		1,965,046	2,056,648

11.1 Capital work-in-progress

	Note	March 31, 2026	December 31, 2025
Civil works		54,520	54,520
Equipment		-	210,262
Consultancy charges		6,022	12,128
Others	11.1.1	92	415
		60,634	277,325

11.1.1 This includes soil testing and other charges incurred at sites.

	… (Un-audited) … March 31, 2026	March 31, 2025
	Rupees in '000	

11.2 Additions to property and equipment

The following additions have been made during the period:

	March 31, 2026	March 31, 2025
Capital work-in-progress	-	54,193
Property and equipment:		
Building on leasehold land	9,223	6,472
Building on freehold land	492	-
Furniture and fixture	593	990
Electrical, office and computer equipment	248,545	24,001
Vehicles	132	-
	258,985	31,463
Total	258,985	85,656

11.3 Disposal of property and equipment

The net book value of fixed assets disposed off is as follows:

	March 31, 2026	March 31, 2025
Furniture and fixture	-	2
Vehicles	2,204	330
Total	2,204	332

12 RIGHT-OF-USE ASSETS

	(Un-audited) March 31, 2026			(Audited) December 31, 2025		
	Buildings	Others	Total	Buildings	Others	Total
	………………………… Rupees in '000 …………………………					
At January 1						
Cost	1,790,495	-	1,790,495	1,546,930	-	1,546,930
Accumulated Depreciation	763,786	-	763,786	689,875	-	689,875
Net opening carrying amount	1,026,709	-	1,026,709	857,055	-	857,055
Additions during the period / year	144,606	-	144,606	528,356	-	528,356
Deletions during the period / year	31,001	-	31,001	72,178	-	72,178
Depreciation charge for the period / year	76,907	-	76,907	286,524	-	286,524
Net closing carrying amount	1,063,407	-	1,063,407	1,026,709	-	1,026,709

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		Rupees in '000	
13	**INTANGIBLE ASSETS**		
	Computer Software	73,338	97,908

		… (Un-audited) … March 31, 2026	March 31, 2025
		Rupees in '000	
13.1	**Additions to intangible assets**		
	Additions made during the period:		
	Directly purchased	-	17,140

		Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
			Rupees in '000	
14	**DEFERRED TAX ASSETS**			
	Deductible temporary differences on:			
	Loans and advances		14,029,028	14,621,602
	Taxable temporary differences on:			
	Accelerated tax depreciation		622,909	(201,468)
	Defined benefit plans		(2,868,812)	(2,868,812)
	Surplus on revaluation of investments	22	(2,071,159)	(3,684,328)
			(4,317,062)	(6,754,608)
			9,711,966	7,866,994
15	**OTHER ASSETS**			
	Income / mark-up accrued in local currency on :			
	- advances		8,127,603	10,812,721
	- securities		8,807,314	7,866,692
	- deposits		189,307	173,335
	Amount recoverable from Federal Government		3,028,456	2,938,250
	Tax recoverable		422,652	422,652
	Branch adjustment account		990,724	1,363,836
	Taxation (payments less provision)		2,463,738	2,468,004
	Receivable from defined benefit plans:			
	- Gratuity scheme - SR 2005		1,850,967	1,782,374
	Non banking assets acquired in satisfaction of claims		72,726	75,325
	Due from Islamic Banking		6,900	8,846
	Stationery and stamps in hand		159,275	159,746
	Stock of farm machinery		6,287	6,287
	Advances against salary and expenses		69,351	63,196
	Security deposits		8,137	8,137
	Advances and other prepayments		169,812	178,688
	Clearing and settlement		727,802	318,786
	Others		532,514	221,928
			27,633,565	28,868,803
	Provision held against other assets	15.1	(1,218,952)	(1,203,645)
	Other assets - net of credit allowance		26,414,613	27,665,158

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
15.1	**Credit loss allowance held against other assets**		
	Tax recoverable	422,652	422,652
	Non banking assets acquired in satisfaction of claims	72,726	75,325
	Amount recoverable from Federal Government	573,798	573,798
	Stock of farm machinery	6,287	6,287
	Accrued interest on advances of ex-employees	16,157	16,577
	Amount deposited with courts / legal charges recoverable	127,332	109,006
		1,218,952	1,203,645
15.1.1	**Movement in credit loss allowance held against other assets**		
	Opening balance	1,203,645	1,465,073
	Charge for the period / year	32,516	121,429
	Reversals	(17,209)	(382,857)
		15,307	(261,428)
	Closing balance	1,218,952	1,203,645

16 CONTINGENT ASSETS

15.1 There is a contingency of an amount of Rs. 297.149 million and Rs. 54.828 million on account of minimum income tax levied by the Income Tax authorities under section 80-D of the Income Tax Ordinance, 1979, and various tax refunds pertaining to assessment years 1991-92 to 1998-99 and assessment year 1999-2000 respectively despite the income of the Bank being exempt from tax up to income year ended 30 June 1999. The Bank paid, under protest, these disputed tax demands and also filed writ petition in this respect in the Honorable Lahore High Court, Rawalpindi Bench, Rawalpindi. Later on, the Bank withdrew the said petition on the directions of the Federal Government and the case was referred to the Law and Justice Division of the Government of Pakistan (GoP) which decided the reference in the Bank's favor. The Federal Board of Revenue (FBR), disagreed with the aforesaid decision, further took up the matter with Federal Cabinet for its review. Federal Cabinet referred the case to the Attorney General of Pakistan (AGP) for final decision which was received on March 12, 2011 whereby the AGP decided that Section 27-A of the ADBP Ordinance should prevail over the said section 80-D of the Income Tax Ordinance, 1979.

15.2 Assistant Commissioner, Sindh Revenue Board (SRB) passed the order on 11.05.2019 for the period January 2012 to December 2012 creating a demand of Rs 6.42 million (Principal + Penalty). On 03.06.2019, payment of impugned tax Amounting Rs.6.6 million (Principal + 10% Surcharge) has been made, under protest, to avail the SRB Amnesty Scheme. Bank has filed appeal before Commissioner (Appeals), SRB. Main Appeal heard and further adjourned to 12.08.2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on 30.06.2022, being time barred at the Commissioner Appeals. The Bank is expecting a favourable decision.

15.3 Assistant Commissioner, Sindh Revenue Board (SRB) passed the order on 11.07.2019 for the period January 2013 to December 2013 creating a demand of Rs 2.75 million. On 03.06.2019, payment of impugned tax amounting to Rs. 2.75 million was made, under protest, to avail the SRB Amnesty Scheme. Bank filed appeal before Commissioner (Appeals), SRB. Main Appeal heard and further adjourned to 12.08.2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on 30.06.2022, being time barred at the Commissioner Appeals. The Bank is expecting a favourable decision.

15.4 Assistant Commissioner, Sindh Revenue Board (SRB) passed the order on 24.01.2020 for the period of January 2014 to December 2014 which created a demand of Rs.54.6 million. On 03.06.2019 payment of impugned tax was made for Rs. 2.86 million, under protest, to avail the SRB Amnesty Scheme. Bank filed appeal before Commissioner (Appeals), SRB. Main Appeal heard and further adjourned to 12.08.2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on 30.06.2022, being time barred at the Commissioner Appeals. The Bank is expecting a favourable decision.

		Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
			Rupees in '000	
17	**BILLS PAYABLE**			
	In Pakistan		375,114	652,106
18	**BORROWINGS**			
	Secured			
	Borrowing from State Bank of Pakistan (SBP):			
	Repurchase agreement borrowings		341,591,132	243,458,031
	Repurchase agreement borrowings - others		993,800	34,175,430
	Total secured		342,584,932	277,633,461
	Unsecured			
	Borrowing from Federal Government:			
	Preference shares	18.1	54,461,536	54,461,536
	Call borrowings		21,595,932	50,718,044
			418,642,400	382,813,041

18.1 In pursuance of Finance Division (Internal Finance Wing), Government of Pakistan letter dated May 30, 2025 the SBP shareholding of ordinary shares and redeemable preference shares carrying markup of 7.5% per annum (as per agreement executed between SBP and the Bank in the year 2017) in the Bank had been purchased by the Federal Government. Accordingly, the Bank transferred SBP ordinary shares of Rs. 40,155.992 million and preference shares of Rs. 54,461.536 million to the Federal Government. After acquisition of preference shares by GoP, the loan agreement between the Bank and the SBP ended; and GoP acquired the resultant preference shares with no formal contract / terms executed. Consequently, the Bank submitted proposal to MoF for conversion of preference shares into ordinary shares which was agreed in principal by the MoF and it was advised to place the matter before the Board of Directors of the Bank and proceed accordingly. As advised, the Board of Directors of the Bank in its meeting dated January 28, 2026 and the shareholders of the Bank in their extraordinary general meeting dated February 10, 2026 approved the conversion of preference shares of Rs. 54,461.536 million into ordinary shares to the Federal Government with effect from June 5, 2025. However, Privatization Commission (PC) vide their letters dated September 24, 2025 and March 18, 2026 directed the Bank not to proceed with the said conversion till PC and CCoP have looked into the matter and taken a decision most appropriate for Bank's privatization. The deliberations / decision by CCoP is still pending.

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		Rupees in '000	
19	**DEPOSITS AND OTHER ACCOUNTS**		
	Customers - local currency		
	Current deposits	7,859,359	13,290,925
	Saving deposits	11,649,451	13,429,531
	Term deposits	29,265,553	31,470,523
	Others	247,938	413,525
		49,022,301	58,604,504
	Financial Institutions - local currency		
	Current deposits	116,549	185,726
	Saving deposits	484,720	679,189
	Term deposits	20,000	20,000
		621,269	884,915
		49,643,570	59,489,419
20	**LEASE LIABILITIES**		
	Outstanding amount at the start of the period / year	1,141,258	997,225
	Additions during the period / year	120,901	438,355
	Lease payments including interest	(87,318)	(352,066)
	Interest expense	36,664	137,695
	Remeasurement	(31,657)	(79,951)
	Outstanding amount at the end of the period / year	1,179,848	1,141,258
20.1	**Lease liabilities outstanding**		
	Not later than one year	56,185	48,227
	Later than one year and upto five years	501,532	503,266
	Over five years	622,131	589,765
	Total lease liabilities	1,179,848	1,141,258
21	**OTHER LIABILITIES**		
	Mark-up / return / interest payable in local currency on:		
	- borrowings	1,017,305	1,045,715
	- deposits and other accounts	1,508,760	1,207,381
	Accrued expenses	1,432,320	1,421,538
	Net liabilities relating to Bangladesh	189	189
	Payable to Ministry of Food Agriculture & Livestock	168,000	168,000
	Payable to defined benefit plans:		
	- pension scheme	8,672,929	8,350,716
	- employees' post retirement medical benefits	12,609,931	12,386,733
	- employees' compensated absences	2,116,791	2,096,704
	Payable to subsidiary company	171,579	168,268
	Security deposits	25,921	24,132
	Deferred income	8,610	8,605
	Others	1,586,749	1,255,594
		29,319,084	28,133,575

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
		Rupees in '000	
22 SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of:			
- securities measured at FVOCI - Debt		816,903	3,750,535
- securities measured at FVOCI - Equity		3,244,193	3,334,712
		4,061,096	7,085,247
Deferred tax on surplus on revaluation of:			
- securities measured at FVOCI - Debt		(416,621)	(1,950,278)
- securities measured at FVOCI - Equity		(1,654,538)	(1,734,050)
		(2,071,159)	(3,684,328)
		1,989,937	3,400,919

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingent liabilities

In respect of cases filed against the Bank:

	Note	March 31, 2026	December 31, 2025
23.1.1 by borrowers; 518 (December 31, 2025: 522) cases		720,679	683,020
23.1.2 by employees; 442 (December 31, 2025: 424) cases	23.1.2.1	276,969	295,589

23.1.2.1 This include employees pension related litigations for addition of certain allowances in pensionable pay. These cases are under adjudication in the Honorable Supreme Court of Pakistan. The financial impact of these cases are not quantifiable at this point of time as it requires actuarial valuation of the items to be decided by the court. In the opinion of the legal advisor favorable outcomes of these contingencies is expected, hence, no provision is incorporated in these financial statements.

23.2 Tax related contingencies

23.2.1 Income tax

The Bank faces cumulative contingent liabilities amounting to Rs. 88,864.614 million under various sections of the Income Tax Ordinance, 2001, for tax years 2002 to 2024, which are under litigation at various forums including the Appellate Tribunal Inland Revenue, the Alternate Dispute Resolution Committee, the Honorable Islamabad High Court, and the Honorable Supreme Court of Pakistan. Key cases include Rs. 76,618.544 million u/s 122, Rs. 5,703.977 million u/s 161/205 and Rs. 6,542.093 million u/s 221/124. In the opinion of the legal advisor favorable outcomes of these contingencies are expected, hence, no provision is incorporated in these financial statements.

23.2.2 Federal excise duties / Sales tax

For the tax years 2008-2019, the Bank is facing total contingent liabilities amounting to Rs. 2,693.114 million related to Federal Excise Duties and Sales Tax matters. These cases are currently under litigation at various forums, including the Alternate Dispute Resolution Committee, the Honorable Islamabad High Court, the Appellate Tribunal Inland Revenue, and other relevant tribunals and authorities. Key cases include Rs. 2,643.225 million u/s 14 of the Federal Excise Duty Act, 2005, Rs. 22.167 million u/s 23 of the Sindh Sales Tax on Services Act, 2011, Rs. 17.865 million u/s 11 of the Sales Tax Act, 1990 and Rs. 9.857 million u/s 19 of the Punjab Sales Tax on Services Act, 2012. In the opinion of the legal advisor favorable outcomes of these contingencies are expected, hence, no provision is incorporated in these financial statements.

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		Rupees in '000	
23.3	**Commitments against**		
	Capital expenditures	1,205,507	1,239,942
	Consultancy Expenditures	22,409	22,409

		(Un-audited) March 31, 2026	March 31, 2025
		Rupees in '000	
24	**MARK-UP / RETURN / INTEREST EARNED**		
	Loans and advances	6,006,016	6,170,284
	Investments	7,057,450	11,081,432
	Securities purchased under resale agreement	70,657	91,283
	Call money lendings	622,216	457,238
	Balances with banks	404,081	154,328
		14,160,420	17,954,565
25	**MARK-UP / RETURN / INTEREST EXPENSED**		
	Deposits	1,089,336	1,762,341
	Redeemable preference shares - SBP	-	1,021,154
	Securities sold under repurchased agreement	5,330,386	7,445,042
	Call borrowings	1,599,560	1,164,104
	Bank commission and other charges	6,734	19,501
	On lease liability against right-of-use assets	36,664	31,502
		8,062,680	11,443,644
26	**FEE & COMMISSION INCOME**		
	Branch banking customer fees	7,933	11,905
	Credit related fees	534,659	217,939
	Commission on remittances including home remittances	1,095	353
		543,687	230,197

		Note	(Un-audited) March 31, 2026	March 31, 2025
			Rupees in '000	
27	**GAIN ON SECURITIES**			
	Realised	27.1	98,998	192,429
	Unrealised - Measured at FVPL		(27)	-
	Realised		98,971	192,429
27.1	Realised gain on:			
	Federal Government Securities		98,998	192,429
28	**OTHER INCOME**			
	Rent on property - KSSL - subsidiary company		978	945
	Rent on property - others		10,838	8,797
			11,816	9,742
	Gain on sale of fixed assets - net		2,864	1,167
	Gain on sale of non banking assets - net		7,128	4,717
	Discount income		1,031,222	448,284
	Others	28.1	5,922	5,547
			1,058,952	469,457

28.1 Other includes sale of scrap, sale of tender forms and private use of vehicles etc.

	Note	(Un-audited) March 31, 2026	(Un-audited) March 31, 2025
		Rupees in '000	
29 OPERATING EXPENSES			
Total compensation expense		2,492,523	2,001,138
Property expense			
Rent & taxes		755	1,354
Insurance		8,981	31,045
Utilities cost		82,156	78,826
Repair and maintenance (including janitorial charges)		61,170	54,775
Depreciation		9,164	9,067
Depreciation - right of use assets		76,907	75,768
		239,133	250,835
Information technology expenses			
Software maintenance		10,949	11,992
Hardware maintenance		57,925	6,096
Depreciation		34,657	34,801
Amortisation		24,570	25,819
Network charges		31,175	35,358
		159,276	114,066
Other operating expenses			
Directors' fees and allowances		2,163	4,767
Legal & professional charges		59,883	33,203
Outsourced services costs		546,179	613,221
Travelling & conveyance		25,672	30,006
NIFT clearing charges		7,326	13,926
Depreciation		87,873	27,960
Training & development		33,358	24,991
Postage & courier charges		5,458	10,520
Communication		4,402	5,423
Stationery & printing		18,346	15,055
Motor vehicle expenses		171,718	147,314
Others		63,546	38,926
		3,916,856	3,331,351

	Note	March 31, 2026	March 31, 2025
30 CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET			
Reversal of credit loss allowance against balances with other banks		(5,894)	(915)
Reversal of credit loss allowance against lending to financial institutions		875	(2,710)
Reversal of credit loss allowance for diminution in value of investments		(26)	(1)
Credit loss allowance against loans & advances	10.3	1,823,466	609,166
Fixed assets charged-off		-	-
Credit loss allowance against other assets	15.1.1	15,307	2,369
Recovery of written off / charged off bad debts		(1,462,714)	(1,761,219)
		371,014	(1,153,310)

	Note	(Un-audited) March 31, 2026	March 31, 2025
31 TAXATION			
Current		1,534,197	1,973,512
Deferred		(231,803)	583,014
		1,302,394	2,556,526
32 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after tax for the period - Rupees in '000		2,209,086	2,668,437
Weighted average number of ordinary shares outstanding		5,267,843,241	5,267,843,241
Earnings per share - basic and diluted (Rupees)		0.42	0.51

32.1 There is no dilutive effect on the basic earnings per share of the Bank.

	Note	March 31, 2026	March 31, 2025
33 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			
Profit before taxation		3,511,480	5,224,963
Adjustments:			
Net mark-up / interest income		(6,097,740)	(6,510,921)
Depreciation		131,694	71,827
Depreciation on right-of-use assets		76,907	75,768
Amortization		24,570	25,819
Markup on lease liability on right-of-use assets		36,664	31,502
Credit loss allowance and write-offs	30	1,833,728	607,909
Provision for employees post retirement medical benefits		377,574	332,027
Charge for defined benefit plans - net		395,550	300,571
Gain on securities		(98,971)	(192,429)
Gain on sale of operating fixed assets	28	(2,864)	(1,167)
		(3,322,888)	(5,259,094)
		188,592	(34,131)
34 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	2,850,026	2,630,065
Balances with other banks	7	9,767,909	2,826,717
		12,617,935	5,456,782

35 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

35.1 Fair value of financial assets

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 latest available audited financial statements.

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.

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

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:

	March 31, 2026 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	………………... Rupees in '000 ………………...			
On balance sheet financial instruments				
Financial assets measured at fair value				
Investments				
- Federal Government Securities	-	405,131,945	-	405,131,945
- Shares	3,333,489	-	-	3,333,489
Corporate sukuk	234,084	-		234,084
- Debt securities (TFCs, Sukuk)	1,995,728	-	-	1,995,728
	5,563,301	405,131,945	-	410,695,246
Financial assets not measured at fair value				
- Subsidiary company	-	100,000	-	100,000
	5,563,301	405,231,945	-	410,795,246

	December 31, 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
	………………... Rupees in '000 ………………...			
On balance sheet financial instruments				
Financial assets measured at fair value				
Investments				
- Federal Government Securities	-	338,123,799	-	338,123,799
- Shares	3,424,008	-	-	3,424,008
- Debt securities (TFCs, Sukuk)	2,041,950	190,194	-	2,232,144
	5,465,958	338,313,993	-	343,779,951
Financial assets not measured at fair value				
- Subsidiary company	-	100,000	-	100,000
	5,465,958	338,413,993	-	343,879,951

35.2 Valuation technique used & key inputs

Revaluation rates for Treasury Bills and Pakistan Investment Bonds are contributed by money market brokers on daily basis while for listed securities daily prices are shared by Pakistan Stock Exchange. Investments in non Government debt securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP).

Investment in subsidiary and other unlisted securities have not been carried out at fair value in accordance with the SBP guidelines.

35.3 Fair value of non-financial assets

Property and equipment as well as non-banking assets, are measured at fair value under Level 2 of the fair value hierarchy.

35.4 There were no transfers between levels 1 and 2 during the year.

36 SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities:

The segment analysis with respect to business activity is as follows:

	March 31, 2026 (Un-audited)			
	Branch banking & agri financing	Treasury	Islamic banking	Total
	……… Rupees in '000 ………			
Profit & Loss				
Net mark-up/return/profit	2,572,324	3,497,193	28,223	6,097,740
Inter segment revenue - net	1,177,481	(1,177,481)	-	-
Non mark-up / return / interest income	1,601,704	98,971	935	1,701,610
Total Income	5,351,509	2,418,683	29,158	7,799,350
Segment direct expenses	3,817,946	20,549	78,361	3,916,856
Inter segment expense allocation	-	-	-	-
Total expenses	3,817,946	20,549	78,361	3,916,856
Credit loss allowance	371,014	-	-	371,014
Profit / loss) before tax	1,162,549	2,398,134	(49,203)	3,511,480
Balance Sheet				
Cash & Bank balances	10,817,788	1,513,154	285,623	12,616,565
Investments	-	409,770,208	1,025,038	410,795,246
Net inter segment lendings	71,043,635	-	-	71,043,635
Lendings to financial institutions	-	9,260,854	392,418	9,653,272
Advances - performing	115,825,253	-	139,560	115,964,813
- non-performing	6,479,970	-	-	6,479,970
Others	20,936,015	17,103,586	1,188,769	39,228,370
Total Assets	225,102,661	437,647,802	3,031,408	665,781,871
Borrowings	54,461,536	363,603,364	577,500	418,642,400
Subordinated debt	-	-	-	-
Deposits & other accounts	47,876,562	-	1,767,008	49,643,570
Net inter segment borrowing	-	70,543,635	500,000	71,043,635
Others	29,228,493	1,510,866	134,687	30,874,046
Total Liabilities	131,566,591	435,657,865	2,979,195	570,203,651
Equity	93,536,070	1,989,937	52,213	95,578,220
Total Equity & Liabilities	225,102,661	437,647,802	3,031,408	665,781,871
Contingencies & Commitments	93,783,292	-	-	93,783,292

	March 31, 2025 (Un-audited)			
	Branch banking & agri financing	Treasury	Islamic banking	Total
	……… Rupees in '000 ………			
Profit & Loss				
Net mark-up/return/profit	2,960,886	3,497,193	52,842	6,510,921
Inter segment revenue - net	1,177,481	(1,177,481)	-	-
Non mark-up / return / interest income	698,998	192,429	656	892,083
Total Income	4,837,365	2,512,141	53,498	7,403,004
Segment direct expenses	3,244,197	20,549	66,605	3,331,351
Inter segment expense allocation	-	-	-	
Total expenses	3,244,197	20,549	66,605	3,331,351
Credit loss allowance	(1,153,310)	-	-	(1,153,310)
Profit / (loss) before tax	2,746,478	2,491,592	(13,107)	5,224,963

	December 31, 2025 (Audited)			
	Branch banking & agri financing	Treasury	Islamic banking	Total
	……… Rupees in '000 ………			
Balance Sheet				
Cash & Bank balances	6,405,001	50,312,603	398,343	57,115,947
Investments	-	342,831,350	1,048,601	343,879,951
Net inter segment lending	74,448,476	-	-	74,448,476
Lendings to financial institutions	-	-	3,391,997	3,391,997
Advances - performing	116,549,826	-	108,128	116,657,954
- non-performing	7,250,249	-	-	7,250,249
Others	25,437,740	10,845,125	2,430,552	38,713,417
Total Assets	230,091,292	403,989,078	7,377,621	641,457,991
Borrowings	54,461,536	325,594,005	2,757,500	382,813,041
Subordinated debt	-	-	-	-
Deposits & other accounts	57,018,325	-	2,471,094	59,489,419
Net inter segment borrowing	-	73,948,476	500,000	74,448,476
Others	27,342,729	1,045,678	1,538,532	29,926,939
Total Liabilities	138,822,590	400,588,159	7,267,126	546,677,875
Equity	91,268,702	3,400,919	110,495	94,780,116
Total Equity & Liabilities	230,091,292	403,989,078	7,377,621	641,457,991
Contingencies & Commitments	93,798,688	-	-	93,798,688

37 RELATED PARTY TRANSACTIONS AND BALANCES

The Bank has related party relationship with its subsidiary company, employee benefit plans, agriculture technology development fund and the Bank's key management personnel.

The transactions between the Bank and its subsidiary, Kissan Support Services (Private) Limited, are carried out on "cost plus" method. There are no transactions with key management personnel other than under their terms of employment. Contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan as at December 31, 2025. Remuneration to the executives are determined in accordance with the terms of their appointment. Details of transactions with related parties and balances with them are as under:

	Subsidiary company		Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	March 31, 2026 (Un-audited)	**December 31, 2025 (Audited)**	**March 31, 2026 (Un-audited)**	**December 31, 2025 (Audited)**	**March 31, 2026 (Un-audited)**	**December 31, 2025 (Audited)**	**March 31, 2026 (Un-audited)**	**December 31, 2025 (Audited)**
			………………………………………….. **Rupees in '000** ………………………………………..					
Investments	100,000	100,000	-	-	-	-	-	-
Advances								
Opening balance	-	-	111,629	98,550	-	-	-	-
Addition	-	-	24,500	61,489	-	-	-	-
Repaid	-	-	(10,852)	(48,410)	-	-	-	-
Closing balance	-	-	125,277	111,629	-	-	-	-
Other assets								
Interest / mark-up accrued	-	-	12,427	14,401	-	-	-	-
Receivable at the end of the period	-	-	-	-	1,850,967	1,782,374	-	-
Deposits and other accounts								
Opening balance	1,775,494	1,533,600	28,502	9,495	10,638,941	11,990,670	377,326	334,598
Received during the period / year	774,979	7,252,488	74,059	357,194	873,167	16,448,161	1,382	663,758
Withdrawn during the period / year	(773,953)	(7,010,594)	(93,090)	(338,187)	(978,281)	(17,799,890)	(230)	(621,030)
Closing balance	1,776,520	1,775,494	9,471	28,502	10,533,827	10,638,941	378,478	377,326
Other liablitites								
Interest / mark-up payable	45,233	97,423	-	-	292,006	210,009	18,389	9,853
Payable at the end of the period	171,579	168,268	-	-	23,399,651	22,834,153	-	-

	Subsidiary company		Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	………… (Un-audited) Period ended March 31, …………							
	2026	2025	2026	2025	2026	2025	2026	2025
	………… Rupees in '000 …………							
Income								
Mark-up / interest earned	-	-	1,196	949	-	-	-	-
Rental income	978	945	-	-	-	-	-	-
Expense								
Mark-up / interest paid	47,396	54,316	-	-	6,931	37,054	1,152	1,649
Compensation	-	-	71,818	81,106	-	-	-	-
Post retirement benefit	-	-	2,805	1,057	-	-	-	-
Contribution to defined benefit plan	-	-	215	208	-	-	-	-
Cost of services rendered	546,179	613,221	-	-	-	-	-	-

37.1 Transactions with Government related entities

The Federal Government holds controlling interest in the Bank and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the normal course of business enters into transaction with Government-related entities. Such transactions include deposits from and provision of other banking services to Government-related entities. However, these transactions have not been treated as related parties transactions for the purpose of this disclosure.

38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	… Rupees in '000 …	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	52,678,432	52,678,432
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	93,154,473	91,281,289
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	93,154,473	91,281,289
Eligible Tier 2 Capital	3,935,966	5,444,359
Total Eligible Capital (Tier 1 + Tier 2)	97,090,439	96,725,648
Risk Weighted Assets (RWAs):		
Credit Risk	155,682,289	163,475,181
Market Risk	24,058,025	28,521,175
Operational Risk	52,684,463	52,684,463
Total	232,424,777	244,680,819
Common Equity Tier 1 Capital Adequacy Ratio	40.08%	37.31%
Tier 1 Capital Adequacy Ratio	40.08%	37.31%
Total Capital Adequacy Ratio	41.77%	39.53%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	93,154,473	91,281,289
Total exposures	594,829,407	567,147,249
Leverage ratio	15.66%	16.09%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	87,454,231	82,900,164
Total Net Cash Outflow	33,481,752	30,750,390
Liquidity Coverage Ratio	261%	270%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	205,931,845	220,220,261
Total Required Stable Funding	142,161,648	173,675,506
Net Stable Funding Ratio	145%	127%

39 ISLAMIC BANKING BUSINESS

The bank is operating 35 (2025: 35) Islamic banking branches and 55 (2025: 30) Islamic banking windows as at March 31, 2026.

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		204,097	287,456
Balances with other banks		81,526	110,887
Due from financial institutions	39.1	392,418	3,391,997
Investments	39.2	1,025,038	1,048,601
Islamic financing and related assets - net	39.3	139,560	108,128
Property and equipment		126,323	125,980
Intangible assets		-	-
Due from Head Office		639,589	-
Other assets		422,857	2,304,572
Total Assets		**3,031,408**	**7,377,621**
LIABILITIES			
Bills payable		28,130	26,987
Due to financial institutions		577,500	2,757,500
Deposits and other accounts	39.4	1,767,008	2,471,094
Due to Head Office		-	1,404,988
Subordinated debt		-	-
Other liabilities		106,557	106,557
		2,479,195	6,767,126
NET ASSETS		**552,213**	**610,495**
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of assets		9,048	18,605
Unappropriated profit	39.5	43,165	91,890
		552,213	**610,495**

CONTINGENCIES AND COMMITMENTS

The profit and loss account of the Bank's Islamic banking branches is as follows:

	Note	(Un-audited) March 31, 2026	March 31, 2025
		Rupees in '000	
Profit / return earned	39.6	483,397	432,224
Profit / return expensed	39.7	455,174	379,801
Net profit / return		28,223	52,423
Other income			
Fee and commission income		935	656
Dividend income		-	-
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		375	1,961
Other income		148	-
Total other income		1,458	2,617
Total income		29,681	55,040
Other expenses			
Operating expenses		78,361	66,605
Workers Welfare Fund		-	-
Other charges		-	-
Total other expenses		78,361	66,605
Profit / (loss) before provisions		(48,680)	(11,565)
Provisions and write offs - net		45	-
Profit / (loss) before taxation		(48,725)	(11,565)
Taxation		-	-
Profit / (loss) after taxation		(48,725)	(11,565)

39.1 Due from Financial Institutions

	March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	………………..……….. Rupees in '000 ………………..………..					
Secured :						
Bai Muajjal Receivable from State Bank of Pakistan	392,418	-	392,418	392,418	-	392,418
Musharakah / Mudarabah	-	-	-	3,000,000	-	3,000,000
	392,418	-	392,418	3,392,418	-	3,392,418
Less: Credit loss allowance						
Stage 1	-	-	-	(421)	-	(421)
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	-	-	-	(421)	-	(421)
	392,418	-	392,418	3,391,997	-	3,391,997

39.2 Investments

	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
	………………..……………… Rupees in '000 ………………..………………							
Federal Government securities								
Ijarah sukuk	782,317	-	8,562	790,879	771,546	-	18,037	789,583
Non Government Debt Securities								
Listed securities	233,673	-	486	234,159	258,451	-	567	259,018
Total investments	1,015,990	-	9,048	1,025,038	1,029,997	-	18,604	1,048,601

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
		…… Rupees in '000 ……	

39.3 Islamic financing and related assets

	Note	March 31, 2026	December 31, 2025
Ijarah	39.3.1	73,483	48,684
Diminishing musharaka		66,462	59,784
Gross Islamic financing and related assets		139,945	108,468
Less: Credit loss allowance against Islamic financings			
- Stage 1		(385)	(340)
- Stage 2		-	-
- Stage 3		-	-
- Specific		-	-
- General		-	-
		(385)	(340)
Islamic financing and related assets - net of credit loss allowance		139,560	108,128

39.3.1 Ijarah

March 31, 2026

	Cost			Depreciation			Book Value as at March 31
	As at January 01	Additions / Deletions	As at March 31	As at January 01	Additions / Deletions	As at March 31	
	----Rupees in 000 ----						
Land & building	48,684	24,799	73,483	-	-	-	73,483
Total	48,684	24,799	73,483	-	-	-	73,483

2025

	Cost			Depreciation			Book Value as at December 31
	As at January 01	Additions / Deletions	As at December 31	As at January 01	Additions / Deletions	As at December 31	
	----Rupees in 000 ----						
Land & Building	-	48,684	48,684	-	-	-	48,684
Total	-	48,684	48,684	-	-	-	48,684

39.3.4 Future Ijarah payments receivable

	March 31, 2026				2025			
	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total
	----Rupees in 000 ----							
Ijarah rental receivables	27,921	63,791	14,489	106,201	11,308	47,507	8,015	66,830

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Rupees in '000	
39.4 Deposits		
Customers - local currency		
Current deposits	520,581	726,101
Savings deposits	1,203,820	1,699,453
Term deposits receipts	42,400	40,745
Others	207	4,795
	1,767,008	2,471,094
Financial Institutions		
Current deposits	-	-
Savings deposits	-	-
Term deposits	-	-
	1,767,008	2,471,094
39.5 Islamic Banking Business Unappropriated Profit		
Opening Balance	91,890	66,632
Add: Islamic Banking profit for the period	(48,725)	45,358
Less: Taxation	-	20,100
Closing Balance	43,165	91,890

	(Un-audited) March 31, 2026	March 31, 2025
	Rupees in '000	
39.6 Profit / return earned of financing, investments and placement		
Profit earned on:		
Financing	2,936	419
Investments	28,021	84,681
Placements	452,440	347,543
	483,397	432,224
39.7 Profit on deposits and other dues expensed		
Call borrowings/ Funds acceptances	432,437	285,944
Commission and other charges	1,033	757
Deposits and other accounts	21,704	93,100
	455,174	379,801

40 CORRESPONDING FIGURES

Corresponding figures have been rearranged, reclassified or additionally incorporated in these condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

41 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 29 JUL 2026 by the Board of Directors of the Bank.

42 GENERAL

The figures in the condensed interim financial statements are rounded off to the nearest thousand rupees.

President | Chief Financial Officer | Director | Director | Director