ZARAI TARAQIATI BANK LIMITED

CONSOLIDATED CONDENSED INTERIM

FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED

MARCH 31, 2026

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED 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	9,766,577	52,679,934
Lendings to financial institutions	8	9,653,272	3,391,997
Investments	9	410,695,246	343,779,951
Advances	10	122,444,783	123,908,203
Property and equipment	11	1,971,028	2,062,821
Right-of-use assets	12	1,063,407	1,026,709
Intangible assets	13	78,534	103,591
Deferred tax assets	14	9,924,208	8,076,499
Other assets	15	26,444,960	27,673,895
Total Assets		594,892,041	567,139,651
LIABILITIES			
Bills payable	17	375,114	652,106
Borrowings	18	418,642,400	382,813,041
Deposits and other accounts	19	47,867,099	57,713,881
Lease liabilities	20	1,179,848	1,141,258
Sub-ordinated loan		-	-
Deferred tax liabilities		-	-
Other liabilities	21	29,646,610	28,487,426
Total Liabilities		497,711,071	470,807,712
NET ASSETS		97,180,970	96,331,939
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		27,557,159	25,738,963
		97,180,970	96,331,939

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
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2026

	Note	Period ended March 31, 2026	March 31, 2025
		...... Rupees in '000	
Mark-up / return / interest earned	24	14,160,420	17,954,565
Mark-up / return / interest expensed	25	8,015,284	11,389,328
Net mark-up / interest income		6,145,136	6,565,237
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	1,049,527	468,564
Total non-mark-up / interest income		1,692,185	891,190
Total income		7,837,321	7,456,427
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	3,883,711	3,301,150
Workers welfare fund		-	-
Other charges		-	-
Total non mark-up / interest expenses		3,883,711	3,301,150
Profit before credit loss allowance		3,953,610	4,155,277
Credit loss allowance and write offs - net	30	371,014	(1,153,310)
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		3,582,596	5,308,587
Taxation	31	1,322,583	2,579,545
PROFIT AFTER TAXATION		2,260,013	2,729,042
		...... Rupees in '000	
Basic earnings per share (Rupees)	32	0.43	0.52
Diluted earnings per share (Rupees)	32	0.43	0.52

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
CONSOLIDATED 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	2,260,013	2,729,042
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	849,031	2,334,276

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 (44,505,276) (5,163,040)

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED 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	16,720,412	83,756,735
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	15,773,723	82,810,046
Profit after taxation for quarter ended March 31, 2025	-	-	-	-	2,729,042	2,729,042
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)	2,729,042	2,334,276
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	17,969,078	85,144,322
Profit after taxation for nine months period ended December 31, 2025	-	-	-	-	9,431,669	9,431,669
Other comprehensive income for nine months period ended December 31, 2025	-	-	-	1,550,856	205,092	1,755,948
Total comprehensive income for nine months period ended December 31, 2025	-	-	-	1,550,856	9,636,761	11,187,617
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	25,738,963	96,331,939
Profit after taxation for the quarter ended March 31, 2026	-	-	-	-	2,260,013	2,260,013
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)	2,260,013	849,031
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	27,557,159	97,180,970

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

Decrease in cash and cash equivalents (44,505,276) (5,163,040)
Cash and cash equivalents at beginning of the period 57,123,249 10,610,860

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED 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	213,074	(4,350)
(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)		(506,671)	(1,073,242)
		(4,952,553)	18,652,644
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		(9,846,782)	976,755
Other liabilities		346,031	108,050
		26,051,616	(22,382,760)
Interest received		15,888,944	17,375,855
Interest paid		(7,767,628)	(12,072,804)
Employees' benefits paid		(207,626)	(187,436)
Income tax paid		(1,565,349)	(1,456,193)
Net cash flow generated / (used in) from operating activities		27,660,478	(75,044)
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		(42,381)	(97,470)
Proceeds from sale of property and equipment		5,069	1,533
Net cash used in investing activities		(72,054,075)	(4,999,344)
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		57,123,249	10,619,860
Cash and cash equivalents at end of the period	34	12,617,973	5,456,820

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. THE GROUP AND ITS OPERATIONS

The "Group" consists of:

Holding company

- Zarai Taraqiati Bank Limited

Subsidiary company

- Kissan Support Services (Private) Limited

1.1 STATUS AND NATURE OF BUSINESS

(a) 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.

(b) 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 35 (December 31, 2025: 35) Islamic banking branches in Pakistan as at the close of the period.

(c) 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 Group 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 Group. 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 Group 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 Group 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 Group 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 Group 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	9,682,077	52,529,147
	9,767,947	52,687,198
Less: credit loss allowance held against balances with other banks	(1,370)	(7,264)
Balances with other banks - net of credit loss allowance	9,766,577	52,679,934

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
Total investments	406,644,984	(10,807)	4,061,069	410,695,246	336,694,762	(10,833)	7,096,022	343,779,951

	(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
Domestic		Rupees in '000			
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	March 31, 2026 (Un-audited) Credit loss allowance held	December 31, 2025 (Audited) Outstanding amount	December 31, 2025 (Audited) 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		1,910,394	1,785,496
		1,971,028	2,062,821

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.

11.2 Additions to property and equipment

The following additions have been made during the period:

	… (Un-audited) … March 31, 2026	March 31, 2025
	Rupees in '000	
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	1,743
Electrical, office and computer equipment	248,840	24,069
Vehicles	132	-
	259,280	32,284
Total	259,280	86,477

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	-	7
Electrical, office and computer equipment	1	29
Vehicles	2,204	330
Total	2,205	366

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	78,534	103,591

	… (Un-audited) … March 31, 2026	March 31, 2025
	Rupees in '000	
13.1 Additions to intangible assets		
Additions made during the period:		
Directly purchased	5,845	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		622,716	(201,019)
Defined benefit plans		(2,656,377)	(2,659,756)
Surplus on revaluation of investments	22	(2,071,159)	(3,684,328)
		(4,104,820)	(6,545,103)
		9,924,208	8,076,499
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)		2,481,896	2,473,671
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		182,001	181,758
Clearing and settlement		727,802	318,786
Others		532,514	221,928
		27,663,912	28,877,540
Provision held against other assets	15.1	(1,218,952)	(1,203,645)
Other assets - net of credit allowance		26,444,960	27,673,895

		(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.

		(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	11,612,480	13,393,493
Term deposits	27,526,053	29,731,023
Others	247,938	413,525
	47,245,830	56,828,966
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
	47,867,099	57,713,881

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	1,375,242	1,109,958
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
- gratuity scheme of the company	501,142	488,762
Security deposits	28,599	26,809
Deferred income	8,610	8,605
Others	1,715,552	1,383,697
	29,646,610	28,487,426

		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:

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

- **Zarai Taraqiati Bank Limited**

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.

- Kissan Support Services (Private) Limited

23.2.3 Sales tax department served show cause notice dated March 16, 2023 for the tax period Jan to Dec 2018 vide which the Company was required to charge and pay Sales Tax on sales and services declared in Income Tax return/Audited accounts at Rs. 1,289,021,407 (this is inclusive of Reimbursable Expenses) for the tax period 2018, whereas, declared sales in Sales Tax Return for the corresponding tax period stand at Rs. 138,652,569 (Service Charges value only) therefore sales tax amounting to Rs. 184,059,014 is recoverable from Company u/s 11(2) of Sales Tax Act 1990 read with Income Tax (tax on services) Ordinance 2001. Moreover, sales tax department claims sales tax recoverable Rs.732,442/- due to disposal of vehicles and purchase of fixed assets thus, total claim of the department is Rs.184,791,456/-. Management submitted reply on dated 10 Apr 2023 through tax consultant and hearing was conducted on 2 May 2023 but decision is still pending, this unjustified tax demand is likely to be deleted. No provision has been made as the management is confident that the case will be decided in favor of the Company.

23.2.4 An order was passed by Sales Tax Dept. u/s 11(2) dated January 23, 2023 vide which the Company was required to charge and pay Sales Tax on sales and services declared in Income Tax return/Audited accounts at Rs. 1,137,504,591 (this is inclusive of Reimbursable Expenses) for the tax year 2021, whereas, declared sales in Sales Tax Return for the corresponding tax year stand at Rs. 121,633,402 (this is only Service Charges) therefore sales tax amounting to Rs. 162,539,390 is recoverable from Company along with default surcharges and penalty amounting to Rs. 39,610,488 and Rs. 8,252,185 respectively. An appeal was filed before Commissioner Inland Revenue (Appeal-IV) on 2 Feb 2023 and a hearing was conducted on 6 Jul 2023. The CIR (Appeal-IV) has remanded the case back to the Department for reconsideration. However, the case has not yet been taken up by the FBR. No provision has been made as the management is confident that this unjustified tax demand will likely be deleted and the case will be decided in favor of the Company.

23.2.5 An order was passed by tax department u/s 122(5A) dated June 11, 2022 vide which Department raised tax demand amounting to Rs. 8,683,554 against erroneous refund adjustment made by Company for the Tax year 2016. An appeal was filed before Commissioner Inland Revenue (Appeal-IV) who has annulled this unjustified demand vide order dated December 02, 2022. However, department has filed 2nd appeal with ATIR Islamabad which is pending for adjudication. No provision has been made as the management is confident that the decision will be decided in the favor of the Company.

23.2.6 The Officer Inland Revenue LTU, Islamabad has initiated proceedings against the Company under Section 161/205 of the Income Tax Ordinance, 2001 for the Tax Year 2009 and 2011 and created a demand of Rs.32 million. The Company submitted detail reply in Jun 2015 against the show cause with complete documentary evidences, the case is pending for adjudication. No provision has been made in these accounts as the management is confident that the decision of the case will be decided in the favor of Company.

23.2.7 The Company is facing claims launched in various Courts filed by the employees, pertaining to service status, dismissal from service and entry into company's premises and others. The matters are still pending before the Courts. As no amount is involved in most of the cases, therefore, the liability is not accurately quantifiable (2024: same as mentioned).

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

24 MARK-UP / RETURN / INTEREST EARNED

	March 31, 2026	March 31, 2025
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

	March 31, 2026	March 31, 2025
Deposits	1,041,940	1,708,025
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
	8,015,284	11,389,328

26 FEE & COMMISSION INCOME

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

27 GAIN ON SECURITIES

	Note	March 31, 2026	March 31, 2025
Realised	27.1	98,998	192,429
Unrealised - Measured at FVPL		(27)	-
Realised		98,971	192,429

27.1 Realised gain on:

	March 31, 2026	March 31, 2025
Federal Government Securities	98,998	192,429

28 OTHER INCOME

	Note	March 31, 2026	March 31, 2025
Rent on property		10,838	8,797
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	(2,525)	5,599
		1,049,527	468,564

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		3,000,817	2,569,362
	Property expense			
	Rent & taxes		755	1,354
	Insurance		8,981	31,045
	Utilities cost		82,156	78,826
	Repair and maintenance (including janitorial charges)		61,611	55,167
	Depreciation		9,164	9,067
	Depreciation - right of use assets		76,907	75,768
			239,574	251,227
	Information technology expenses			
	Software maintenance		10,949	11,992
	Hardware maintenance		57,925	6,096
	Depreciation		34,669	34,807
	Amortisation		25,057	25,819
	Network charges		31,175	35,358
			159,775	114,072
	Other operating expenses			
	Directors' fees and allowances		2,395	5,201
	Legal & professional charges		60,765	33,894
	Travelling & conveyance		25,874	30,036
	NIFT clearing charges		7,326	13,926
	Depreciation		88,136	28,427
	Training & development		33,358	24,991
	Postage & courier charges		5,538	10,619
	Communication		4,402	5,423
	Stationery & printing		18,527	15,653
	Motor vehicle expenses		171,889	147,609
	Others		65,335	50,710
			3,883,711	3,301,150
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
	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		1,557,124	2,002,231
	Deferred		(234,541)	577,314
			1,322,583	2,579,545
32	**EARNINGS PER SHARE - BASIC AND DILUTED**			
	Profit after tax for the period - Rupees in '000		2,260,013	2,729,042
	Weighted average number of ordinary shares outstanding		5,267,843,241	5,267,843,241
	Earnings per share - basic and diluted (Rupees)		0.43	0.52

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		3,582,596	5,308,587
	Adjustments:			
	Net mark-up / interest income		(6,145,136)	(6,565,237)
	Depreciation		131,969	72,300
	Depreciation on right-of-use assets		76,907	75,768
	Amortization		25,057	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)
			(3,369,522)	(5,312,937)
			213,074	(4,350)
34	**CASH AND CASH EQUIVALENTS**			
	Cash and balances with treasury banks	6	2,850,026	2,630,065
	Balances with other banks	7	9,767,947	2,826,755
			12,617,973	5,456,820

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

	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

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).

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	Kissan Support Services Limited	Total
	.... Rupees in '000				
Profit & Loss					
Net mark-up/return/profit	2,619,720	3,497,193	28,223		6,145,136
Inter segment revenue - net	1,130,086	(1,177,481)	-	47,395	-
Non mark-up / return / interest income	1,534,387	98,971	935	57,892	1,692,185
Total Income	5,284,193	2,418,683	29,158	105,287	7,837,321
Segment direct expenses	3,767,691	20,549	78,361	17,110	3,883,711
Inter segment expense allocation	(17,060)	-	-	17,060	-
Total expenses	3,750,631	20,549	78,361	34,170	3,883,711
Credit loss allowance	371,014	-	-		371,014
Profit / loss) before tax	1,162,548	2,398,134	(49,203)	71,117	3,582,596
Balance Sheet					
Cash & Bank balances	10,780,818	1,513,154	285,623	37,008	12,616,603
Investments	-	409,670,208	1,025,038	-	410,695,246
Net inter segment lendings	71,043,635	-	-	2,044,596	73,088,231
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	20,936,016	17,103,586	1,188,769	253,766	39,482,137
Total Assets	225,065,692	437,547,802	3,031,408	2,335,370	667,980,272
Borrowings	54,461,536	363,603,364	577,500	-	418,642,400
Subordinated debt	-	-	-	-	-
Deposits & other accounts	46,100,091	-	1,767,008	-	47,867,099
Net inter segment borrowing	2,044,596	70,443,635	500,000	100,000	73,088,231
Others	28,923,403	1,510,866	134,687	632,616	31,201,572
Total Liabilities	131,529,626	435,557,865	2,979,195	732,616	570,799,302
Equity	93,536,066	1,989,937	52,213	1,602,754	97,180,970
Total Equity & Liabilities	225,065,692	437,547,802	3,031,408	2,335,370	667,980,272
Contingencies & Commitments	92,991,252	-	-	1,227,916	94,219,168

	March 31, 2025 (Un-audited)				
	Branch banking & agri financing	Treasury	Islamic banking	Kissan Support Services Limited	Total
	……… Rupees in '000 ………				
Profit & Loss					
Net mark-up/return/profit	3,015,202	3,497,193	52,842		6,565,237
Inter segment revenue - net	1,123,165	(1,177,481)	-	54,316	-
Non mark-up / return / interest income	633,296	192,429	656	64,809	891,190
Total Income	4,771,663	2,512,141	53,498	119,125	7,456,427
Segment direct expenses	3,196,844	20,549	66,605	17,152	3,301,150
Inter segment expense allocation	(18,348)	-	-	18,348	
Total expenses	3,178,496	20,549	66,605	35,500	3,301,150
Credit loss allowance	(1,153,310)	-	-		(1,153,310)
Profit / (loss) before tax	2,746,477	2,491,592	(13,107)	83,625	5,308,587

	December 31, 2025 (Audited)				
	Branch banking & agri financing	Treasury	Islamic banking		Total
	……… Rupees in '000 ………				
Balance Sheet					
Cash & Bank balances	6,368,964	50,312,603	398,343	36,075	57,115,985
Investments	-	342,731,350	1,048,601	-	343,779,951
Net inter segment lending	74,548,476	-	-	2,005,190	76,553,666
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	25,636,498	10,845,125	2,430,552	31,340	38,943,515
Total Assets	230,354,013	403,889,078	7,377,621	2,072,605	643,693,317
Borrowings	54,461,536	325,594,005	2,757,500	-	382,813,041
Subordinated debt	-	-	-	-	-
Deposits & other accounts	55,242,787	-	2,471,094	-	57,713,881
Net inter segment borrowing	2,005,190	73,948,476	500,000	100,000	76,553,666
Others	27,077,044	1,045,678	1,538,532	619,536	30,280,790
Total Liabilities	138,786,557	400,588,159	7,267,126	719,536	547,361,378
Equity	91,267,456	3,400,919	110,495	1,553,069	96,331,939
Total Equity & Liabilities	230,054,013	403,989,078	7,377,621	2,272,605	643,693,317
Contingencies & Commitments	93,798,688	-	-	435,876	94,234,564

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 Group has related party relationship with its employee benefit plans, agriculture technology development fund and the Group's key management personnel. Details of transactions with related parties and balances with them are as under:.

	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)
	………………………………………... Rupees in '000 ………………………………………...					
Investments	-	-	-	-	-	-
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	28,502	9,495	10,638,941	11,990,670	377,326	334,598
Received during the period / year	74,059	357,194	873,167	16,448,161	1,382	663,758
Withdrawn during the period / year	(93,090)	(338,187)	(978,281)	(17,799,890)	(230)	(621,030)
Closing balance	9,471	28,502	10,533,827	10,638,941	378,478	377,326

	Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
Other liablitites						
Interest / mark-up payable	-	-	292,006	210,009	18,389	9,853
Payable at the end of the period	-	-	23,399,651	22,834,153	-	-

	Key management personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	……………………………………. (Un-audited) Period ended March 31,					
	2026	2025	2026	2025	2026	2025
	………………………………………... Rupees in '000 ……………………………………………					
Income						
Mark-up / interest earned	1,196	949	-	-	-	-
Rental income	-	-	-	-	-	-
Expense						
Mark-up / interest paid	-	-	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	-	-	-	-	-	-

37.1 Transactions with Government related entities

The Federal Government holds controlling interest in the Group 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 Group.

The Group 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	594,843,362	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 Group 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

December 31, 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				December 31, 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