ZARAI TARAQIATI BANK LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED

JUNE 30, 2026

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		...... Rupees in '000	
ASSETS			
Cash and balances with treasury banks	6	3,133,421	4,436,051
Balances with other banks	7	54,893,279	52,679,934
Lendings to financial institutions	8	6,623,052	3,391,997
Investments	9	334,265,522	343,779,951
Advances	10	130,854,890	123,908,203
Property and equipment	11	2,066,550	2,062,821
Right-of-use assets	12	1,057,478	1,026,709
Intangible assets	13	90,535	103,591
Deferred tax assets	14	7,459,829	8,076,499
Other assets	15	28,049,746	27,673,895
Total Assets		568,494,302	567,139,651
LIABILITIES			
Bills payable	17	401,387	652,106
Borrowings	18	379,977,587	382,813,041
Deposits and other accounts	19	56,601,681	57,713,881
Lease liabilities	20	1,172,582	1,141,258
Sub-ordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	21	29,269,303	28,487,426
Total Liabilities		467,422,540	470,807,712
NET ASSETS		101,071,762	96,331,939
REPRESENTED BY			
Share capital		52,678,432	52,678,432
Reserves		15,735,616	14,513,625
Surplus on revaluation of assets	22	1,962,111	3,400,919
Un-appropriated profit		30,695,603	25,738,963
		101,071,762	96,331,939
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 43 form an integral part of these unconsolidated 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 JUNE 30, 2026

	Note	Quarter ended		Period ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		.... Rupees in '000			
Mark-up / return / interest earned	24	16,182,203	15,933,144	30,342,623	33,887,709
Mark-up / return / interest expensed	25	9,548,669	9,755,167	17,563,953	21,144,495
Net mark-up / interest income		6,633,534	6,177,977	12,778,670	12,743,214
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	518,962	281,611	1,062,649	511,808
Dividend income		110,221	12,917	110,221	12,917
Foreign exchange income		-	-	-	-
Income from derivatives		-	-	-	-
Gain on securities	27	70,372	501,669	169,343	694,098
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	28	1,143,494	460,693	2,193,021	929,257
Total non-mark-up / interest income		1,843,049	1,256,890	3,535,234	2,148,080
Total income		8,476,583	7,434,867	16,313,904	14,891,294
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	3,882,151	3,914,372	7,765,862	7,215,522
Workers welfare fund		-	-	-	-
Other charges	30	42	545	42	545
Total non mark-up / interest expenses		3,882,193	3,914,917	7,765,904	7,216,067
Profit before credit loss allowance		4,594,390	3,519,950	8,548,000	7,675,227
Credit loss allowance and write offs - net	31	(5,111,758)	(4,391,053)	(4,740,744)	(5,544,363)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		9,706,148	7,911,003	13,288,744	13,219,590
Taxation	32	5,787,530	4,834,184	7,110,113	7,413,729
PROFIT AFTER TAXATION		3,918,618	3,076,819	6,178,631	5,805,861
Basic earnings per share (Rupees)	33	0.74	0.58	1.17	1.10
Diluted earnings per share (Rupees)	33	0.74	0.58	1.17	1.10

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements (un-audited).

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

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Quarter ended		Period ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	.... Rupees in '000			
Profit after taxation for the period	3,918,618	3,076,819	6,178,631	5,805,861
Other Comprehensive Income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	(27,826)	534,435	(1,438,808)	139,669
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-
Total Comprehensive Income	3,890,792	3,611,254	4,739,823	5,945,530

The annexed notes 1 to 43 form an integral part of these unconsolidated financial statements (un-audited).

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

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Share capital	Statutory reserve	Contingencies reserve	Surplus on revaluation of investments	Un-appropriated profit / (loss)	Total
	....	....	..... Rupees in '000	.....	....	....
Balance as at December 31, 2024	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 the half year ended June 30, 2025	-	-	-	-	5,805,861	5,805,861
Other comprehensive income for the half year ended June 30, 2025	-	-	-	139,669	-	139,669
Total comprehensive income for the half year ended June 30, 2025	-	-	-	139,669	5,805,861	5,945,530
Transferred to statutory reserve	-	1,147,014	-	-	(1,147,014)	-
Balance as at June 30, 2025	52,678,432	13,200,076	60,000	2,384,498	20,432,570	88,755,576
Profit after taxation for six months period ended December 31, 2025	-	-	-	-	6,354,850	6,354,850
Other comprehensive income for the half year ended December 31, 2025	-	-	-	1,016,421	205,092	1,221,513
Total comprehensive income for the half year ended December 31, 2025	-	-	-	1,016,421	6,559,942	7,576,363
Transferred to statutory reserve	-	1,253,549	-	-	(1,253,549)	-
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 half year ended June 30, 2026	-	-	-	-	6,178,631	6,178,631
Other comprehensive income for the half year ended June 30, 2026	-	-	-	(1,438,808)	-	(1,438,808)
Total comprehensive income the half year ended June 30, 2026	-	-	-	(1,438,808)	6,178,631	4,739,823
Transferred to statutory reserve	-	1,221,991	-	-	(1,221,991)	-
Balance as at June 30, 2026	52,678,432	15,675,616	60,000	1,962,111	30,695,603	101,071,762

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 43 form an integral part of these unconsolidated financial statements (un-audited).

President | Chief Financial Officer | Director | Director | Director

ZARAI TARAQIATI BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 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 the 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.

1.2 Kissan Support Services (Private) Limited ("the Company")

Kissan Support Services (Private) Limited was incorporated in Pakistan as a private limited company on September 19, 2005 under the Companies Ordinance, 1984. It is a fully owned subsidiary of Zarai Taraqiati Bank Limited (ZTBL). The registered office of the Company is situated at 1-Faisal Avenue (Zero Point), Islamabad. The Company's principal business is the provision of consultancy, advisory, agency and other support services on contractual basis or otherwise to the Bank.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These consolidated 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 Federal Government through the Gazette of Pakistan dated February 2, 2023 issued State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act) followed by State-Owned Enterprises (Ownership and Management) Policy, 2023 (SOE Policy), on November 27, 2023 to improve the governance, financial efficiency, and transparency of state-owned enterprises. However, compliance of the SOE Act and SOE Policy require further clarifications from the Federal Government for which the Gorup has sought clarification from Finance Division and response still awaited. Accordingly, requirements related to these matters have not been considered in the preparation of these financial statements.

The disclosures made in these consolidated 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 consolidated condensed interim financial statements (un-audited) include the condensed interim financial statements (un-audited) of the Bank and its subsidiary company.

2.3 The financial results of the Islamic banking branches have been consolidated in these consolidated condensed interim financial statements (un-audited) for reporting purposes, after eliminating interbranch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 40 to these consolidated condensed interim financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		... Rupees in '000 ...	
6	**CASH AND BALANCES WITH TREASURY BANKS**		
	In hand		
	Local currency	1,445,159	1,922,789
	With State Bank of Pakistan in:		
	Local currency current account	1,002,673	1,441,240
	With National Bank of Pakistan in:		
	Local currency current account	269,057	443,992
	Local currency deposit account	414,761	626,209
		683,818	1,070,201
	Prize bonds	1,771	1,821
		3,133,421	4,436,051
	Less: Credit loss allowance held against cash and balances with treasury banks	-	-
		3,133,421	4,436,051
7	**BALANCES WITH OTHER BANKS**		
	In Pakistan		
	In current accounts	113,603	158,051
	In deposit accounts	54,787,191	52,529,147
		54,900,794	52,687,198
	Less: Credit loss allowance held against balances with other banks	(7,515)	(7,264)
	Balances with other banks - net of credit loss allowance	54,893,279	52,679,934
8	**LENDINGS TO FINANCIAL INSTITUTIONS**		
	Call money lendings	400,000	-
	Musharakah	-	3,000,000
	Bai Muajjal receivable		
	With State Bank of Pakistan	392,418	392,418
	Repurchase agreement lendings (Reverse Repo)	5,831,478	-
		6,623,896	3,392,418
	Less: Credit loss allowance held against lending to financial institutions	(844)	(421)
	Lendings to financial institutions - net of credit loss allowance	6,623,052	3,391,997

8.1 Lending to financial institutions - Particulars of credit loss allowance

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
		Rupees in '000			
Domestic					
Performing	Stage 1	6,623,896	844	3,392,418	421
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		6,623,896	844	3,392,418	421

9 INVESTMENTS

9.1 Investments by types

	June 30, 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	25,370,900	-	3,811	25,374,711	2,173,597	-	10,775	2,184,372
	25,370,900	-	3,811	25,374,711	2,173,597	-	10,775	2,184,372
FVOCI								
Federal Government securities	302,590,142	-	796,287	303,386,429	332,164,356	-	3,775,071	335,939,427
Shares	99,819	(10,523)	3,210,227	3,299,523	99,819	(10,523)	3,334,712	3,424,008
Non Government Debt securities	2,207,350	(286)	(2,205)	2,204,859	2,256,990	(310)	(24,536)	2,232,144
	304,897,311	(10,809)	4,004,309	308,890,811	334,521,165	(10,833)	7,085,247	341,595,579
Total investments	330,268,211	(10,809)	4,008,120	334,265,522	336,694,762	(10,833)	7,096,022	343,779,951

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000	
9.1.1 Investments given as collateral		
Market Treasury bills	76,764,478	40,196,484
Pakistan Investment Bonds	216,517,698	237,436,977
	293,282,176	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	(24)	(44)
Reversals for the period / year	-	-
Reversal on disposals	-	-
	(24)	(44)
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	10,809	10,833

9.3 Particulars of credit loss allowance against debt securities

		June 30, 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	330,966,285	286	340,356,253	310
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
		330,966,285	286	340,356,253	310

10 ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	……………………………… Rupees in '000 ………………………………					
Loans, cash credits, running finance, etc.	124,338,803	116,549,826	23,146,021	24,144,677	147,484,824	140,694,503
Islamic financing and related assets	182,051	108,128	-	-	182,051	108,128
Advances - gross	124,520,854	116,657,954	23,146,021	24,144,677	147,666,875	140,802,631
Credit loss allowance against advances:						
-Stage 1	365,511	526,981	-	-	365,511	526,981
-Stage 2	247,243	330,674	-	-	247,243	330,674
-Stage 3	-	-	13,160,143	12,996,086	13,160,143	12,996,086
-Specific against staff advances	417	406	38,671	40,281	39,088	40,687
-General	3,000,000	3,000,000	-	-	3,000,000	3,000,000
	3,613,171	3,858,061	13,198,814	13,036,367	16,811,985	16,894,428
Advances - net of credit loss allowance	120,907,683	112,799,893	9,947,207	11,108,310	130,854,890	123,908,203

10.1 Particulars of advances (gross)

In local currency	147,666,875	140,802,631

10.2 Advances include Rs. 23,102.440 million (December 31, 2025: Rs. 24,101.695 million) relating to agricultural financing which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification	June 30, 2026 (Un-audited) Non performing loans	June 30, 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	2,596,763	-	3,411,095	-
Other assets especially mentioned - Stage 3	4,802,331	1,879,570	3,568,098	1,196,165
Substandard	4,193,989	1,412,397	5,069,962	1,955,803
Doubtful	4,756,067	2,957,571	5,633,844	3,420,489
Loss	6,753,290	6,910,605	6,418,696	6,423,629
	20,505,677	13,160,143	20,690,600	12,996,086
	23,102,440	13,160,143	24,101,695	12,996,086

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

	June 30, 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	2,539,184	246,006	183,713	-	2,968,903
Reversals	(2,375,127)	(329,437)	(345,183)	-	(3,049,747)
	164,057	(83,431)	(161,470)	-	(80,844)
Amounts charged off	-	-	-	-	-
Closing balance	13,160,143	247,243	365,511	3,000,000	16,772,897

	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 written off (Note 11.4)	-	-	-	-	-
Amounts charged off	-	-	-	-	-
Closing balance	12,996,086	330,674	526,981	3,000,000	16,853,741

10.3.1 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, the Bank has yet not availed the benefit of allowed value of mortgaged lands and buildings while computing the provision against non-performing loans.

10.3.2 In addition to the time based criteria, the Bank has further classified loans and advances amounting to Rs. 893.416 million (December 31, 2025: 1,172.832 million) and further de-graded the category of classified loans and advances amounting to Rs. 1,622.049 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

	June 30, 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 & Additional charge	164,938	206,338	933,473	85,544	297,586	1,570,347
Advances derecognised or repaid	(175,344)	(70,349)	(2,481,798)	(708,788)	(784,978)	(4,444,514)
Transfer to stage 1	15,499	(2,035)	(13,464)	738,451	(318,525)	(419,926)
Transfer to stage 2	(34,790)	49,047	(14,257)	(25,070)	44,027	(18,957)
Transfer to stage 3	(19,359)	(258,233)	277,592	(56,544)	(1,483,759)	1,540,304
	(49,056)	(75,232)	(1,298,454)	33,593	(2,245,649)	(1,772,746)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(112,414)	(8,199)	1,462,511	(88,528)	(12,419)	1,497,900
Other changes (to be specific)	-	-	-	-	-	-
Closing balance	365,511	247,243	13,160,143	526,981	330,674	12,996,086

10.4.2 Advances - Category of classification

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
Domestic		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		...... Rupees in '000			
Performing	Stage 1	118,073,092	365,511	115,441,414	526,981
Under performing	Stage 2	7,990,658	247,243	3,642,762	330,674
Non-Performing	Stage 3				
Other assets especially mentioned		4,802,331	1,879,570	3,568,098	1,196,165
Substandard		4,193,989	1,412,397	5,069,962	1,955,803
Doubtful		4,756,067	2,957,571	5,633,844	3,420,489
Loss		6,753,290	6,910,605	6,418,696	6,423,629
		20,505,677	13,160,143	20,690,600	12,996,086
Total		146,569,427	13,772,897	139,774,776	13,853,741

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		... Rupees in '000 ...	

11 PROPERTY AND EQUIPMENT

	Note	June 30, 2026	December 31, 2025
Capital work-in-progress	11.1	60,634	277,325
Property and equipment	11.2	2,005,916	1,785,496
		2,066,550	2,062,821

11.1 Capital work-in-progress

	Note	June 30, 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) June 30, 2026	June 30, 2025
	... Rupees in '000 ...	

11.2 Additions to property and equipment

The following additions have been made during the period:

	June 30, 2026	June 30, 2025
Capital work-in-progress	-	54,670
Property and equipment:		
Building on freehold land	1,480	499
Building on leasehold land	17,164	30,398
Furniture and fixture	2,986	3,869
Electrical, office and computer equipment	445,907	63,456
Vehicles	132	-
	467,669	98,222
Total	**467,669**	**152,892**

11.3 Disposal of property and equipment

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

	June 30, 2026	June 30, 2025
Furniture and fixture	-	23
Electrical, office and computer equipment	1	3
Vehicles	4,767	2,339
Total	**4,768**	**2,365**

12 RIGHT-OF-USE ASSETS

	(Un-audited) June 30, 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	228,202	-	228,202	528,356	-	528,356
Deletions during the period / year	41,745	-	41,745	72,178	-	72,178
Depreciation charge for the period / year	155,688	-	155,688	286,524	-	286,524
Net closing carrying amount	1,057,478	-	1,057,478	1,026,709	-	1,026,709

			(Un-audited) June 30, 2026	(Audited) December 31, 2025
			... Rupees in '000 ...	
13	**INTANGIBLE ASSETS**			
	Computer Software		90,535	103,591

			(Un-audited)	
			June 30, 2026	June 30, 2025
			... Rupees in '000 ...	
13.1	**Additions to intangible assets**			
	Additions made during the period:			
	Directly purchased		50,730	18,666

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			... Rupees in '000 ...	
14	**DEFERRED TAX ASSETS**			
	Deductible temporary differences on:			
	Credit loss allowance against loans and advances		12,096,777	14,621,602
	Taxable temporary differences on:			
	Accelerated tax depreciation		91,073	(201,019)
	Defined benefit plans		(2,685,823)	(2,659,756)
	Surplus on revaluation of investments		(2,042,198)	(3,684,328)
			(4,636,948)	(6,545,103)
			7,459,829	8,076,499
15	**OTHER ASSETS**			
	Income / mark-up accrued in local currency on :			
	- advances		8,319,239	10,812,721
	- securities		9,332,753	7,866,692
	- deposits		533,644	173,335
	Amount recoverable from Federal Government		2,917,249	2,938,250
	Tax recoverable		1,716,406	422,652
	Branch adjustment account		1,480,299	1,363,836
	Taxation (payments less provision)		1,340,983	2,473,671
	Receivable from gratuity scheme - SR 2005		1,919,163	1,782,374
	Non banking assets acquired in satisfaction of claims		71,564	75,325
	Due from Islamic Banking		140,834	8,846
	Stationery and stamps in hand		159,444	159,746
	Stock of farm machinery		6,287	6,287
	Advances against salary and expenses		73,339	63,196
	Security deposits		8,137	8,137
	Advances and other prepayments		183,354	181,758
	Clearing and settlement		342,321	318,786
	Others		734,568	221,928
			29,279,584	28,877,540
	Credit loss allowance held against other assets	15.1	(1,229,838)	(1,203,645)
	Other assets - net of credit allowance		28,049,746	27,673,895
15.1	**Credit loss allowance held against other assets**			
	Tax recoverable		422,652	422,652
	Non banking assets acquired in satisfaction of claims		71,564	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		16,085	16,577
	Amount deposited with courts / legal charges recoverable		139,452	109,006
			1,229,838	1,203,645

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	... Rupees in '000 ...	
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	63,759	121,429
Reversals	(37,566)	(382,857)
	26,193	(261,428)
Closing balance	1,229,838	1,203,645

16 CONTINGENT ASSETS

16.1 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.

16.2 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.

16.3 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.

16.4 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) June 30, 2026	(Audited) December 31, 2025
		... Rupees in '000 ...	
17 BILLS PAYABLE			
In Pakistan		401,387	652,106
18 BORROWINGS			
Secured			
Borrowing from State Bank of Pakistan (SBP):			
Repurchase agreement borrowings		289,594,279	243,458,031
Repurchase agreement borrowings - others		3,687,897	34,175,430
Total secured		293,282,176	277,633,461
Unsecured			
Borrowing from Federal Government:			
Preference shares	18.1	54,461,536	54,461,536
Call borrowings		32,233,875	50,718,044
		379,977,587	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 equity 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) June 30, 2026	(Audited) December 31, 2025
		... Rupees in '000 ...	
19	**DEPOSITS AND OTHER ACCOUNTS**		
	Customers - local currency		
	Current deposits	11,669,986	13,290,925
	Saving deposits	13,176,666	13,393,493
	Term deposits	30,284,352	29,731,023
	Others	881,277	413,525
		56,012,281	56,828,966
	Financial Institutions - local currency		
	Current deposits	165,394	185,726
	Saving deposits	424,006	679,189
	Term deposits	-	20,000
		589,400	884,915
		56,601,681	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	181,966	438,355
	Lease payments including interest	(178,566)	(352,066)
	Interest expense	73,431	137,695
	Remeasurement	(45,507)	(79,951)
	Outstanding amount at the end of the period / year	1,172,582	1,141,258
20.1	**Liabilities Outstanding**		
	Short-term lease liabilities - within one year	56,537	48,227
	Long-term lease liabilities		
	- 1 to 5 years	523,081	503,266
	- 5 to 10 years	493,126	497,797
	- More than 10 years	99,838	91,968
		1,116,045	1,093,031
	Total lease liabilities	1,172,582	1,141,258
21	**OTHER LIABILITIES**		
	Mark-up / return / interest payable in local currency on:		
	- borrowings	996,790	1,045,715
	- deposits and other accounts	1,981,402	1,109,943
	Accrued expenses	393,818	1,421,538
	Net liabilities relating to Bangladesh	189	189
	Payable to Ministry of Food Agriculture & Livestock	168,000	168,000
	Provision for:		
	- pension scheme	8,997,411	8,350,716
	- employees' post retirement medical benefits	12,831,319	12,386,733
	- employees' compensated absences	2,052,305	2,096,704
	- gratuity scheme of the company	515,019	488,762
	Security deposits	26,774	26,809
	Deferred income	8,395	8,605
	Others	1,297,881	1,383,712
		29,269,303	28,487,426

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	... Rupees in '000 ...	

22 SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:		
- securities measured at FVOCI - Equity	3,210,227	3,334,712
- securities measured at FVOCI - Debt	794,082	3,750,535
	4,004,309	7,085,247
Deferred tax on surplus on revaluation of:		
- securities measured at FVOCI - Equity	(1,637,216)	(1,734,050)
- securities measured at FVOCI - Debt	(404,982)	(1,950,278)
	(2,042,198)	(3,684,328)
	1,962,111	3,400,919

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingent liabilities

In respect of cases filed against the Bank:

23.1.1 by borrowers; 553 (December 31, 2025: 522) cases	788,416	683,020
23.1.2 by employees; 411 (December 31, 2025: 424) cases	178,556	295,589

23.2.1 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. 100,587.846 million under various sections of the Income Tax Ordinance, 2001, for tax years 2002 to 2025, 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. 88,140.40 million u/s 122, Rs. 5,905.35 million u/s 161/205 and Rs. 6,542.092 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

The Bank faces cumulative contingent liabilities amounting to Rs.127.399 million before various forums including the Alternate Dispute Resolution Committee, CIR (A) Sindh Revenue Board, the Appellate Tribunal Inland Revenue, and at Lahore High Court. Key cases include Rs. 77.51 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 (STD) 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 financial statements at Rs. 1,289.021 million (this is inclusive of reimbursble expenses) for the tax period 2018, whereas, declared sales in sales tax return for the corresponding tax period stand at Rs. 138.653 million (service charges value only) therefore sales tax amounting to Rs. 184.059 million is recoverable from Company u/s 11(2) of Sales Tax Act, 1990 read with Income Tax (tax on services) Ordinance, 2001. Moreover, STD claims sales tax recoverable Rs.0.732 million due to disposal of vehicles and purchase of fixed assets thus, total claim of the department is Rs.184.791 million. Management submitted reply on April 10, 2023 through tax consultant and hearing was conducted on May 2, 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 favour of the Company.

23.2.4 An order was passed by STD 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 financial statements at Rs. 1,137.504 million (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 million (this is only service charges) therefore sales tax amounting to Rs. 162.539 million is recoverable from the Company along with default surcharges and penalty amounting to Rs. 39.610 million and Rs. 8.252 million respectively. An appeal was filed before Commissioner Inland Revenue (Appeal-IV) on February 2, 2023 and hearing was conducted on July 6, 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 favour of the Company.

23.2.5 An order was passed by STD u/s 122(5A) dated June 11, 2022 vide which tax demand amounting to Rs. 8.684 million was raised against errorneous refund adjustment made by the Company for the tax year 2016. An appeal was filed before CIR (Appeal-IV) who has annulled this unjustified demand vide order dated December 2, 2022. However, STD has filed second 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 favour 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 detailed reply in June 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 (2025: same as mentioned).

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		... Rupees in '000 ...	
23.3	**Commitments against**		
	Capital expenditure	1,198,361	1,239,942
	Consultancy Expenditure	22,409	22,409

		(Un-audited) June 30, 2026	June 30, 2025
		... Rupees in '000 ...	
24	**MARK-UP / RETURN / INTEREST EARNED**		
	Loans and advances	12,703,333	11,974,285
	Investments	15,310,520	20,536,961
	Securities purchased under resale agreement	186,243	208,890
	Call money lendings	444,395	265,628
	Balances with banks	1,698,132	901,945
		30,342,623	33,887,709
24.1	**Interest income recognised on:**		
	Financial assets measured at amortised cost	15,032,103	13,350,748
	Financial assets measured at FVOCI	14,484,404	18,973,669
		29,516,507	32,324,417
25	**MARK-UP / RETURN / INTEREST EXPENSED**		
	Deposits	2,131,275	3,009,319
	Redeemable preference shares - SBP	-	1,689,800
	Securities sold under repurchased agreement	12,309,045	14,313,782
	Call borrowings	3,036,803	2,041,574
	Bank commission and other charges	13,399	25,285
	On lease liability against right-of-use assets	73,431	64,735
		17,563,953	21,144,495

		Note	(Un-audited) June 30, 2026	June 30, 2025
			Rupees in '000	
26	**FEE & COMMISSION INCOME**			
	Branch banking customer fees		38,540	21,803
	Credit related fees		1,022,812	487,658
	Commission on remittances including home remittances		1,297	2,347
			1,062,649	511,808
27	**GAIN ON SECURITIES**			
	Realised	27.1	165,532	682,755
	Unrealised - Measured at FVPL		3,811	11,343
			169,343	694,098
27.1	Realised gain on:			
	Federal Government Securities		165,532	682,755
28	**OTHER INCOME**			
	Rent on property		19,787	19,636
	Gain on sale of fixed assets - net		6,999	3,811
	Gain on sale of non banking assets - net		10,963	13,090
	Deferred income amortization		215	226
	Discount income		2,163,877	899,657
	Others	28.1	(8,820)	(7,163)
			2,193,021	929,257

28.1 Other includes sale of scrap, sale of tender forms, recoveries against penalties imposed by SBP and private use of vehicles etc.

		(Un-audited)	
		June 30, 2026	June 30, 2025
		... Rupees in '000 ...	
29	**OPERATING EXPENSES**		
	Total compensation expense	5,788,788	5,388,067
	Property expense		
	Rent & taxes	3,163	10,014
	Insurance	24,391	46,509
	Utilities cost	179,527	176,274
	Repair and maintenance (including janitorial charges)	139,267	126,340
	Depreciation	18,458	18,012
	Depreciation - right of use assets	155,688	139,300
		520,494	516,449
	Information technology expenses		
	Software maintenance	119,686	224,441
	Hardware maintenance	282,412	94,997
	Depreciation	87,516	69,851
	Amortisation	63,785	50,897
	Network charges	15,000	72,225
		568,399	512,411
	Other operating expenses		
	Directors' fees and allowances	7,456	11,331
	Legal & professional charges	86,837	69,131
	Travelling & conveyance	51,553	63,137
	NIFT clearing charges	21,435	21,912
	Depreciation	136,499	59,185
	Training & development	7,890	19,029
	Postage & courier charges	9,832	15,532
	Communication	9,971	11,585
	Stationery & printing	39,478	41,397
	Marketing, advertisement & publicity	21,078	17,040
	Donations	764	-
	Motor vehicle expenses	376,453	347,163
	Auditors Remuneration	696	663
	Others	118,239	121,490
		7,765,862	7,215,522

		Note	(Un-audited)	
			June 30, 2026	June 30, 2025
			... Rupees in '000 ...	
30	**OTHER CHARGES**			
	Penalties imposed by SBP		42	545

	Note	(Un-audited) June 30, 2026	June 30, 2025
		Rupees in '000	

31 CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET

	Note	June 30, 2026	June 30, 2025
Credit loss allowance against balances with other banks		251	1,303
Credit loss allowance / (reversal) against lending to financial institutions		423	(1,570)
Credit loss reversal for diminution in value of investments		(24)	(14)
Credit loss reversal against loans & advances		(82,441)	(557,393)
Credit loss allowance / (reversal) against other asset:	15.1.1	26,193	11,469
Recovery of written off / charged off bad debts		(4,685,146)	(4,998,158)
		(4,740,744)	(5,544,363)

32 TAXATION

	June 30, 2026	June 30, 2025
Current	4,851,314	4,715,315
Prior year	-	183,062
Deferred	2,258,799	2,515,352
	7,110,113	7,413,729

33 EARNINGS PER SHARE - BASIC AND DILUTED

	June 30, 2026	June 30, 2025
Profit after tax for the period	6,178,631	5,805,861
Weighted average number of ordinary shares	5,267,843,241	5,267,843,241
Earnings per share - basic and diluted (Rupees)	1.17	1.10

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

	Note	(Un-audited) June 30, 2026	June 30, 2025
		Rupees in '000	

34 OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	Note	June 30, 2026	June 30, 2025
Profit before taxation		13,288,744	13,219,590
Less: Dividend income		(110,221)	(12,917)
		13,178,523	13,206,673
Adjustments:			
Net mark-up / interest income		(12,778,670)	(12,743,214)
Depreciation		242,473	147,048
Depreciation on right-of-use assets	29	155,688	139,300
Amortization	29	63,785	50,897
Amortization of deferred income	28	(215)	(226)
Markup on lease liability on right-of-use assets	25	73,431	64,735
Credit loss allowance and write-offs - net	31	(55,598)	(546,205)
Provision for employees post retirement medical benefits		676,461	664,054
Charge for defined benefit plans - net		791,060	601,101
Gain on sale of non banking assets acquired in satisfaction of claims - net	28	(10,963)	(13,090)
Gain on securities	27	(169,343)	(694,098)
Gain on sale of operating fixed assets	28	(6,999)	(3,811)
		(11,018,890)	(12,333,509)
		2,159,633	873,164

35 CASH AND CASH EQUIVALENTS

	Note	June 30, 2026	June 30, 2025
Cash and balances with treasury banks	6	3,133,421	3,727,936
Balances with other banks	7	54,900,794	18,718,340
		58,034,215	22,446,276

36 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.

36.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 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	-	328,761,140	-	328,761,140
- Shares	3,299,523	-	-	3,299,523
- Debt securities (TFCs, Sukuk)	2,038,609	166,250	-	2,204,859
	5,338,132	328,927,390	-	334,265,522

	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

36.2 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.

36.3 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.

36.4 There were no transfers between levels 1 and 2 during the period.

37 SEGMENT INFORMATION

37.1 Segment Details with respect to Business Activities:

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

	June 30, 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	8,456,997	4,279,203	42,470	-	12,778,670
Inter segment revenue - net	1,692,139	(1,786,532)	-	94,393	-
Non mark-up / return / interest income	3,126,356	279,564	6,969	122,345	3,535,234
Total Income	13,275,492	2,772,235	49,439	216,738	16,313,904
Segment direct expenses	7,500,828	43,562	182,451	39,063	7,765,904
Inter segment expense allocation	(33,907)	-	-	33,907	-
Total expenses	7,466,921	43,562	182,451	72,970	7,765,904
Credit loss allowance	(4,740,744)	-	-	-	(4,740,744)
Profit / (loss) before tax	10,549,315	2,728,673	(133,012)	143,768	13,288,744
Balance Sheet					
Cash & Bank balances	4,707,392	52,996,718	287,246	35,344	58,026,700
Investments	-	330,730,812	3,534,710	-	334,265,522
Net inter segment lendings	75,024,587	-	-	2,099,789	77,124,376
Lendings to financial institutions	-	6,230,634	392,418	-	6,623,052
Advances - performing	124,338,803	-	182,051	-	124,520,854
- non-performing (net of provision)	6,334,036	-	-	-	6,334,036
Others	27,286,718	9,593,795	1,614,427	229,198	38,724,138
Total Assets	237,691,536	399,551,959	6,010,852	2,364,331	645,618,678
Borrowings	54,461,536	322,207,051	3,309,000	-	379,977,587
Subordinated debt	-	-	-	-	-
Deposits & other accounts	54,571,385	-	2,030,296	-	56,601,681
Net inter segment borrowing	2,099,789	74,424,587	500,000	100,000	77,124,376
Others	29,069,679	1,001,723	128,043	643,827	30,843,272
Total Liabilities	140,202,389	397,633,361	5,967,339	743,827	544,546,916
Equity	97,489,147	1,918,598	43,513	1,620,504	101,071,762
Total Equity & Liabilities	237,691,536	399,551,959	6,010,852	2,364,331	645,618,678
Contingencies & Commitments	102,903,987	-	-	435,876	103,339,863

	June 30, 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	6,629,263	6,008,541	105,410	-	12,743,214
Inter segment revenue - net	1,680,552	(1,786,532)	-	105,980	-
Non mark-up / return / interest income	1,310,657	707,015	5,141	125,267	2,148,080
Total Income	9,620,472	4,929,024	110,551	231,247	14,891,294
Segment direct expenses	6,979,766	44,069	153,276	38,956	7,216,067
Inter segment expense allocation	(36,181)	-	-	36,181	-
Total expenses	6,943,585	44,069	153,276	75,137	7,216,067
Credit loss allowance	(5,544,363)	-	-	-	(5,544,363)
Profit before tax	8,221,250	4,884,955	(42,725)	156,110	13,219,590

	December 31, 2025 (Audited)				
	Branch Banking & Agri Financing	Treasury	Islamic Banking	Kissan Support Services Limited	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 (net of provision)	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

38 RELATED PARTY TRANSACTIONS AND BALANCES

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	
	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
	.... Rupees in '000					
Investments	-	-	-	-	-	-
Advances						
Opening balance	111,629	98,550	-	-	-	-
Addition	24,500	61,489	-	-	-	-
Repaid	(34,830)	(48,410)	-	-	-	-
Closing balance	101,299	111,629	-	-	-	-
Other assets						
Interest / mark-up accrued	11,814	14,401	-	-	-	-
Receivable at the end of the period	-	-	1,919,163	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	191,218	357,194	1,554,397	16,448,161	2,463	663,758
Withdrawn during the period / year	(204,173)	(338,187)	(1,566,907)	(17,799,890)	(230)	(621,030)
Closing balance	15,547	28,502	10,626,431	10,638,941	379,559	377,326
Other liabilities						
Interest / mark-up payable	-	-	576,806	210,009	28,229	9,853
Payable at the end of the period	-	-	23,881,035	22,834,153	-	-

	Key Management Personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	.... (Un-audited) Half year ended June 30,					
	2026	2025	2026	2025	2026	2025
	.... Rupees in '000					
Income						
Mark-up / interest earned	2,277	1,899	-	-	-	-
Rental income	-	-	-	-	-	-
Expense						
Mark-up / interest paid	-	-	4,995	60,269	1,081	2,843
Compensation	188,185	200,256	-	-	-	-
Post retirement benefit	3,506	2,203	-	-	-	-
Contribution to defined benefit plan	383	434	-	-	-	-
Cost of services rendered	-	-	-	-	-	-

38.1 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.

39 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 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:		
Eligible Common Equity Tier 1 (CET 1) Capital	97,403,327	91,281,289
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	97,403,327	91,281,289
Eligible Tier 2 Capital	4,058,333	5,444,359
Total Eligible Capital (Tier 1 + Tier 2)	101,461,660	96,725,648
Risk Weighted Assets (RWAs):		
Credit Risk	167,697,774	163,475,181
Market Risk	29,153,125	28,521,175
Operational Risk	52,684,463	52,684,463
Total	249,535,362	244,680,819
Common Equity Tier 1 Capital Adequacy Ratio	39.03%	37.31%
Tier 1 Capital Adequacy Ratio	39.03%	37.31%
Total Capital Adequacy Ratio	40.66%	39.53%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	97,403,327	91,281,289
Total exposures	568,442,531	567,147,249
Leverage ratio	17.14%	16.09%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	76,931,903	82,900,164
Total Net Cash Outflow	29,271,184	30,750,390
Liquidity Coverage Ratio	263%	270%
Net Stable Funding		
Total Available Stable Funding	204,492,744	220,220,261
Total Required Stable Funding	169,112,211	173,675,506
Net Stable Funding Ratio	121%	127%

40 ISLAMIC BANKING BUSINESS

The Group is operating 35 (December 31, 2025: 35) Islamic banking branches amd 55 (December 31, 2025: 30) Islamic Banking Windows as at June 30, 2026.

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		... Rupees in '000 ...	
ASSETS			
Cash and balances with treasury banks		210,950	287,456
Balances with other banks		76,296	110,887
Due from financial institutions	40.1	392,418	3,391,997
Investments	40.2	3,534,710	1,048,601
Islamic financing and related assets - net	40.3	182,051	108,128
Property and equipment		133,968	125,980
Intangible assets		-	-
Due from Head Office		958,265	-
Other assets		522,194	2,304,572
Total Assets		**6,010,852**	**7,377,621**
LIABILITIES			
Bills payable		21,486	26,987
Due to financial institutions		3,309,000	2,757,500
Deposits and other accounts	40.4	2,030,296	2,471,094
Due to Head Office		-	1,404,988
Subordinated debt		-	-
Other liabilities		106,557	106,557
		5,467,339	6,767,126
NET ASSETS		**543,513**	**610,495**
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of assets		84,965	18,605
Un-appropriated (loss) / profit	40.5	(41,452)	91,890
		543,513	**610,495**
CONTINGENCIES AND COMMITMENTS	40.6		

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

	Note	(Un-audited) June 30, 2026	June 30, 2025
		... Rupees in '000 ...	
Profit / return earned	40.7	927,173	927,173
Profit / return expensed	40.8	884,703	884,703
Net Profit / return		42,470	42,470
Other income			
Fee and Commission Income		1,252	1,465
Dividend Income		-	-
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain on securities		1,313	3,676
Other Income		4,404	-
Total other income		6,969	5,141
Total Income		49,439	47,611
Other expenses			
Operating expenses		182,451	153,276
Workers Welfare Fund		-	-
Other charges		-	-
Total other expenses		182,451	153,276
Loss before credit loss allowance		(133,012)	(105,665)
Credit loss allowance and write offs - net		330	-
Loss before taxation		(133,342)	(105,665)
Taxation		-	-
Loss after taxation		(133,342)	(105,665)

40.1 Due from financial institutions

	June 30, 2025 (Un-audited)			December 31, 2025 (Audited)		
	In local currency	In foreign currency	Total	In local currency	In foreign currency	Total
	.... Rupees in '000					
Unsecured :						
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

40.2 Investments

	June 30, 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	3,240,852	-	84,559	3,325,411	771,546	-	18,037	789,583
Non Government Debt Securities								
Listed securities	208,894	-	405	209,299	258,451	-	567	259,018
Total investments	3,449,746	-	84,964	3,534,710	1,029,997	-	18,604	1,048,601

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		...... Rupees in '000	
40.3 Islamic financing and related assets			
Ijarah	40.3.1	102,721	48,684
Diminishing musharaka		79,660	59,784
Gross Islamic financing and related assets		182,381	108,468
Less: Credit loss allowance against Islamic financings			
- Stage 1		(330)	(340)
- Stage 2		-	-
- Stage 3		-	-
- Specific		-	-
- General		-	-
		(330)	(340)
Islamic financing and related assets - net of credit loss allowance		182,051	108,128

40.3.1 Ijarah

June 30, 2026

	Cost			Depreciation			Book Value as at June 30
	As at January 01	Additions / Deletions	As at June 30	As at January 01	Additions / Deletions	As at June 30	
	Rupees in 000						
Land & building	48,684	54,037	102,721	-	-	-	102,721
Total	48,684	54,037	102,721	-	-	-	102,721

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

40.3.2 Future Ijarah payments receivable

	June 30, 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	65,711	160,129	30,117	255,957	11,308	47,507	8,015	66,830

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	... Rupees in '000 ...	

40.4 Deposits

Customers - local currency		
Current deposits	698,340	726,101
Savings deposits	1,215,904	1,699,453
Term deposits	83,045	40,745
Others	33,007	4,795
	2,030,296	2,471,094
Financial Institutions		
Current deposits	-	-
Savings deposits	-	-
Term deposits	-	-
	2,030,296	2,471,094

40.5 Islamic Banking Business Accumulated Profit

Opening Balance	91,890	66,632
Add: Islamic Banking (loss) / profit for the period / year	(133,342)	45,358
Less: Taxation	-	20,100
Closing Balance	(41,452)	91,890

40.6 Contingencies and commitments

40.6.1 There are no contingencies outstanding against Islamic banking at the reporting date (December 31, 2025 : Nil).

40.6.2 There are no commitments made by the Islamic banking at the reporting date (December 31, 2025 : Nil).

	(Un-audited) June 30, 2026	June 30, 2025
	... Rupees in '000 ...	

40.7 Profit / return earned of financing, investments and placement

Profit earned on:		
Financing	12,840	1,158
Investments	114,040	161,685
Placements	800,293	566,982
	927,173	729,825

40.8 Profit on deposits and other dues expensed

Deposits and other accounts	47,607	167,028
Commission and other charges	2,199	1,003
Call borrowings	834,897	456,384
	884,703	624,415

41 **CORRESPONDING FIGURES**

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

42 **DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial statements (un-audited) were authorized for issue on 20 AUG 2026 by the Board of Directors of the Group.

43 **GENERAL**

The figures in the consolidated condensed interim financial statements (un-audited) are rounded off to the nearest thousand rupees.

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