

ZARAI TARAQIATI BANK LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED

JUNE 30, 2025

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		(Un-audited) June 30, 2025 Rupees in '000	(Audited) December 31, 2024
Note			
ASSETS			
	Cash and balances with treasury banks	6 3,727,936	3,125,812
	Balances with other banks	7 18,715,591	7,492,564
	Lendings to financial institutions	8 16,733,904	30,950,072
	Investments	9 263,192,115	376,174,453
	Advances	10 113,248,679	109,121,210
	Property and equipment	11 1,842,301	1,852,427
	Right-of-use assets	12 897,589	857,055
	Intangible assets	13 140,194	172,427
	Deferred tax assets	14 10,908,793	13,475,947
	Other assets	15 27,475,679	34,429,584
	Total Assets	456,882,781	577,651,551
LIABILITIES			
	Bills payable	17 443,007	451,707
	Borrowings	18 290,646,788	408,066,969
	Deposits and other accounts	19 48,736,013	55,088,529
	Lease liabilities	20 1,047,149	997,225
	Sub-ordinated debt	-	-
	Deferred tax liabilities	-	-
	Other liabilities	21 26,307,559	29,290,386
	Total Liabilities	367,180,516	493,894,816
NET ASSETS		89,702,265	83,756,735
REPRESENTED BY			
	Share capital	52,678,432	52,678,432
	Reserves	13,260,076	12,113,062
	Surplus on revaluation of assets	22 2,384,498	2,244,829
	Un-appropriated profit	21,379,259	16,720,412
		89,702,265	83,756,735
CONTINGENCIES AND COMMITMENTS		23	

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

President

Chief Financial Officer

Director

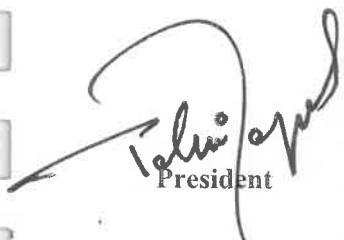
Director

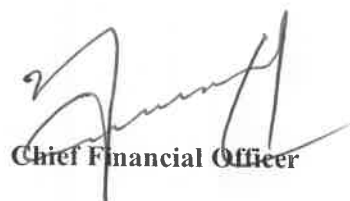
Director

ZARAI TARAQIATI BANK LIMITED
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2025**

		Quarter ended		Period ended	
	Note	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
..... Rupees in '000					
Mark-up / return / interest earned	24	15,933,144	28,274,123	33,887,709	53,821,169
Mark-up / return / interest expensed	25	9,755,167	24,563,809	21,144,495	45,493,977
Net mark-up / interest income		6,177,977	3,710,314	12,743,214	8,327,192
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	281,611	(11,202)	511,808	133,953
Dividend income		12,917	8,180	12,917	8,180
Foreign exchange income		-	-	-	-
Income from derivatives		-	-	-	-
Gain on securities	27	501,669	292,788	694,098	518,358
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	28	460,693	421,453	929,257	730,714
Total non-mark-up / interest income		1,256,890	711,219	2,148,080	1,391,205
Total income		7,434,867	4,421,533	14,891,294	9,718,397
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	3,914,372	3,630,965	7,215,522	6,925,553
Workers welfare fund		-	-	-	-
Other charges	30	545	178	545	1,469
Total non mark-up / interest expenses		3,914,917	3,631,143	7,216,067	6,927,022
Profit before credit loss allowance		3,519,950	790,390	7,675,227	2,791,375
Credit loss allowance and write offs - net	31	(4,391,053)	(3,396,093)	(5,544,363)	(2,856,434)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		7,911,003	4,186,483	13,219,590	5,647,809
Taxation	32	4,834,184	2,419,855	7,413,729	2,814,012
PROFIT AFTER TAXATION		3,076,819	1,766,628	5,805,861	2,833,797
Basic earnings per share (Rupees)	33	0.58	0.34	1.10	0.54
Diluted earnings per share (Rupees)	33	0.58	0.34	1.10	0.54

The annexed notes 1 to 43 form an integral part of these consolidated 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, 2025

	Quarter ended		Period ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
 Rupees in '000			
Profit after taxation for the period	3,076,819	1,766,628	5,805,861	2,833,797
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	534,435	1,019,412	139,669	104,124
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	<u>3,611,254</u>	<u>2,786,040</u>	<u>5,945,530</u>	<u>2,937,921</u>

The annexed notes 1 to 43 form an integral part of these consolidated 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, 2025

	Share capital	Statutory reserve	Contingencies reserve	Surplus on revaluation of investments	Un-appropriated profit / (loss)	Total
..... Rupees in '000						
Balance as at January 1, 2024	52,678,432	9,460,922	60,000	1,622,051	11,451,832	75,273,237
Impact of adoption of IFRS 9 - net of tax					(5,498,565)	(5,498,565)
Balance as at January 01, 2024 - as restated	52,678,432	9,460,922	60,000	1,622,051	5,953,267	69,774,672
Profit after taxation for the half year ended June 30, 2024	-	-	-	-	2,833,797	2,833,797
Other comprehensive income for the half year ended June 30, 2024	-	-	-	104,124	-	104,124
Total comprehensive income for the half year ended June 30, 2024	-	-	-	104,124	2,833,797	2,937,921
Transferred to statutory reserve	-	542,947	-	-	(542,947)	-
Balance as at June 30, 2024	52,678,432	10,003,869	60,000	1,726,175	8,244,117	72,712,593
Profit after taxation for six months period ended December 31, 2024	-	-	-	-	10,345,671	10,345,671
Other comprehensive income for the half year ended December 31, 2024	-	-	-	518,654	179,817	698,471
Total comprehensive income for the half year ended December 31, 2024	-	-	-	518,654	10,525,488	11,044,142
Transferred to statutory reserve	-	2,049,193	-	-	(2,049,193)	-
Balance as at December 31, 2024	52,678,432	12,053,062	60,000	2,244,829	16,720,412	83,756,735
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 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	21,379,259	89,702,265

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 consolidated financial statements (un-audited).


President


Chief Financial Officer


Director


Director


Director

ZARAI TARAQIATI BANK LIMITED
CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2025

		Period ended	
	Note	June 30, 2025	June 30, 2024
	 Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income / (loss) before working capital changes	34	873,164	22,309
Decrease / (increase) in operating assets:			
Lendings to financial institutions		14,217,738	1,696,530
Securities classified as FVPL		2,080,293	(1,010,415)
Advances		(3,570,076)	(2,089,696)
Other assets - net (excluding advance taxation)		(1,967,025)	(1,080,214)
		10,760,930	(2,483,795)
Increase / (decrease) in operating liabilities:			
Bills payable		(8,700)	(550,044)
Borrowings from financial institutions		(117,420,181)	133,446,343
Deposits and other accounts		(6,352,516)	(5,278,791)
Other liabilities		(694,855)	(451,202)
		(124,476,252)	127,166,306
Interest received		41,453,510	28,524,541
Interest paid		(24,404,589)	(44,282,700)
Employees' benefits paid		(556,541)	(544,024)
Income tax paid		(3,277,894)	(3,584,722)
Net cash (used in) / generated from operating activities		(99,627,672)	104,817,915
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		111,104,874	(134,743,556)
Realised gain on sales of securities		682,755	516,410
Dividend received		12,917	8,180
Investments in property and equipment		(157,951)	(82,331)
Proceeds from sale of property and equipment		6,176	15,689
Net cash generated from / (used in) investing activities		111,648,771	(134,285,608)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(194,645)	(182,591)
Increase / (decrease) in cash and cash equivalents		11,826,454	(29,650,284)
Cash and cash equivalents at beginning of the period		10,619,860	35,586,790
Cash and cash equivalents at end of the period	35	22,446,314	5,936,506

The annexed notes 1 to 43 form an integral part of these consolidated 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, 2025

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, 2024: 501) branches including 29 (December 31, 2024: 25) 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 16, 2025, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), shall be followed by banks, for the preparation of financial statements from the annual reporting periods beginning on or after January 1, 2026. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated 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 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, 2024.

- 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 consolidated 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, 2024.

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 consolidated 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, 2024.

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, 2024.

	(Un-audited) June 30, 2025 ... Rupees in '000 ...	(Audited) December 31, 2024
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	1,330,933	1,133,799
With State Bank of Pakistan in:		
Local currency current account	1,727,597	1,621,700
With National Bank of Pakistan in:		
Local currency current account	384,602	180,216
Local currency deposit account	282,987	188,231
	667,589	368,447
Prize bonds	1,817	1,866
	3,727,936	3,125,812
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
	3,727,936	3,125,812
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	164,827	111,847
In deposit accounts	18,553,551	7,382,201
	18,718,378	7,494,048
Less: Credit loss allowance held against balances with other banks	(2,787)	(1,484)
Balances with other banks - net of credit loss allowance	18,715,591	7,492,564
8 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	2,000,000	14,500,000
Musharakah	7,950,000	13,650,000
Repurchase agreement lendings (Reverse Repo)	6,786,962	2,804,700
	16,736,962	30,954,700
Less: Credit loss allowance held against lending to financial institutions	(3,058)	(4,628)
Lendings to financial institutions - net of credit loss allowance	16,733,904	30,950,072

8.1 Lending to financial institutions - Particulars of credit loss allowance

		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000					
Domestic					
Performing	Stage 1	16,736,962	3,058	30,954,700	4,628
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		16,736,962	3,058	30,954,700	4,628

9 INVESTMENTS

9.1 Investments by types

	June 30, 2025 (Un-audited)				December 31, 2024 (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	1,340,096	-	11,343	1,351,439	3,404,062	-	16,327	3,420,389
	1,340,096	-	11,343	1,351,439	3,404,062	-	16,327	3,420,389
FVOCI								
Federal Government securities	254,477,392	-	2,028,746	256,506,138	365,532,619	-	1,661,390	367,194,009
Shares	99,819	(10,523)	2,944,366	3,033,662	99,819	(10,523)	3,118,309	3,207,605
Non Government Debt securities	2,306,624	(340)	(5,408)	2,300,876	2,356,271	(354)	(3,467)	2,352,450
	256,883,835	(10,863)	4,967,704	261,840,676	367,988,709	(10,877)	4,776,232	372,754,064
Total investments	258,223,931	(10,863)	4,979,047	263,192,115	371,392,771	(10,877)	4,792,559	376,174,453

(Un-audited) (Audited)
June 30, December 31,
2025 2024
Rupees in '000

9.1.1 Investments given as collateral

Market Treasury bills	31,373,038	65,012,242
Pakistan Investment Bonds	169,377,400	199,571,000
	<u>200,750,438</u>	<u>264,583,242</u>

9.2 Credit loss allowance for diminution in value of investments

Opening balance	10,877	10,523
Exchange adjustments	-	-
Charge / reversals		
Charge for the period / year	-	354
Reversals for the period / year	-	-
Reversal on disposals	(14)	-
	(14)	354
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	<u>10,863</u>	<u>10,877</u>

9.3 Particulars of credit loss allowance against debt securities

		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
Rupees in '000					
Domestic					
Performing	Stage 1	260,158,793	340	372,967,202	354
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		<u>260,158,793</u>	<u>340</u>	<u>372,967,202</u>	<u>354</u>

10 ADVANCES

Loans, cash credits, running finance, etc.
Islamic financing and related assets
Advances - gross

Credit loss allowance against advances:

-Stage 1
-Stage 2
-Stage 3
-Specific against staff advances
-General

Advances - net of credit loss allowance

10.1 Particulars of advances (gross)

In local currency

10.2 Advances include Rs. 26,052.403 million (December 31, 2024: Rs. 26,938.645 million) relating to agricultural financing which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification

Domestic

Other assets especially mentioned

Substandard

Doubtful

Loss

Performing		Non Performing		Total	
(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
2025	2024	2025	2024	2025	2024
..... Rupees in '000					
106,045,356	101,613,315	26,097,886	26,981,173	132,143,242	128,594,488
29,354	8,032	-	-	29,354	8,032
106,074,710	101,621,347	26,097,886	26,981,173	132,172,596	128,602,520
472,084	581,916	-	-	472,084	581,916
1,665,137	2,588,742	-	-	1,665,137	2,588,742
-	-	13,743,777	13,270,932	13,743,777	13,270,932
379	387	42,540	39,333	42,919	39,720
3,000,000	3,000,000	-	-	3,000,000	3,000,000
5,137,600	6,171,045	13,786,317	13,310,265	18,923,917	19,481,310
100,937,110	95,450,302	12,311,569	13,670,908	113,248,679	109,121,210
				132,172,596	128,602,520

June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
Non performing loans	Credit loss allowance / provision	Non performing loans	Credit loss allowance / provision
..... Rupees in '000			
6,680,474	-	7,653,464	-
10,170,224	6,674,788	12,265,726	7,958,480
5,214,305	3,089,033	4,419,491	2,717,418
3,987,400	3,979,956	2,599,964	2,595,034
26,052,403	13,743,777	26,938,645	13,270,932

10.3 Particulars of credit loss allowance against advances

	June 30, 2025 (Un-audited)					December 31, 2024 (Audited)					
	Stage 3	Stage 2	Stage 1	General	Total	Stage 3	Stage 2	Stage 1	Specific	General	Total
 Rupees in '000										
Opening balance	13,270,932	2,588,742	581,916	3,000,000	19,441,590	-	-	-	11,434,334	3,000,000	14,434,334
Impact on adoption of IFRS 9	-	-	-	-	-	14,387,176	5,171,698	1,335,082	(11,434,334)	-	9,459,622
Charge for the period	3,063,744	1,144,330	361,815	-	4,569,889	6,179,931	2,509,747	506,641	-	-	9,196,319
Reversals	(2,590,899)	(2,067,935)	(471,647)	-	(5,130,481)	(5,403,697)	(5,092,703)	(1,259,807)	-	-	(11,756,207)
	472,845	(923,605)	(109,832)	-	(560,592)	776,234	(2,582,956)	(753,166)	-	-	(2,559,888)
Amounts charged off	-	-	-	-	-	(1,892,478)	-	-	-	-	(1,892,478)
Closing balance	13,743,777	1,665,137	472,084	3,000,000	18,880,998	13,270,932	2,588,742	581,916	-	3,000,000	19,441,590

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. 1,249.565 million (December 31, 2024: 1,899.185 million) and further de-graded the category of classified loans and advances amounting to Rs. 2,772.871 million (December 31, 2024: Rs. 4,088.474 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, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
 Rupees in '000					
10.4.1 Opening Balances	581,916	2,588,742	13,270,932	1,335,082	5,171,698	14,387,176
New advances & Additional charge / (reversal)	(135,562)	1,017,061	1,560,122	402,982	2,672,162	4,510,399
Advances derecognised or repaid	(447,222)	(412,300)	(2,253,800)	(1,325,822)	(1,758,826)	(4,601,396)
Transfer to stage 1	560,216	(257,329)	(302,887)	1,057,090	(617,645)	(439,445)
Transfer to stage 2	(60,133)	113,001	(52,868)	(86,326)	131,154	(44,828)
Transfer to stage 3	(3,951)	(1,398,696)	1,402,647	(131,376)	(2,717,198)	2,848,574
	(86,652)	(938,263)	353,214	(83,452)	(2,290,353)	2,273,304
Amounts written off / charged off	-	-	-	-	-	(1,892,478)
Changes in risk parameters (PDs/LGDs/EADs)	(23,180)	14,658	119,630	(669,714)	(292,603)	(1,497,070)
Other changes (to be specific)	-	-	-	-	-	-
Closing balance	472,084	1,665,137	13,743,776	581,916	2,588,742	13,270,932

10.4.2 Advances - Category of classification

Domestic

Performing Stage 1
Under performing Stage 2
Non-Performing Stage 3
Substandard
Doubtful
Loss

Total

June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
..... Rupees in '000			
104,885,643	472,084	100,590,077	581,916
6,990,630	1,665,137	7,853,106	2,588,742
10,170,224	6,674,788	12,265,726	7,958,480
5,214,305	3,089,033	4,419,491	2,717,418
3,987,400	3,979,956	2,599,964	2,595,034
19,371,929	13,743,777	19,285,181	13,270,932
131,248,202	15,880,998	127,728,364	16,441,590

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	... Rupees in '000 ...	
11 PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	223,032	181,928
Property and equipment	11.2	1,619,269	1,670,499
		<u>1,842,301</u>	<u>1,852,427</u>

11.1 Capital work-in-progress

Civil works		41,785	55,146
Equipment		170,759	116,566
Consultancy charges		10,073	9,801
Others	11.1.1	415	415
		<u>223,032</u>	<u>181,928</u>

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

	(Un-audited) June 30, 2025	(Audited) June 30, 2024
	... Rupees in '000 ...	
11.2 Additions to property and equipment		
The following additions have been made during the period:		
Capital work-in-progress	54,670	24,974
Property and equipment:		
Building on freehold land	499	7,826
Building on leasehold land	30,398	9,556
Furniture and fixture	3,869	6,044
Electrical, office and computer equipment	63,456	35,265
Vehicles	-	8,343
	<u>98,222</u>	<u>67,034</u>
Total	<u>152,892</u>	<u>92,008</u>

11.3 Disposal of property and equipment

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

Furniture and fixture	23	47
Electrical, office and computer equipment	3	27
Vehicles	2,339	9,041
Total	<u>2,365</u>	<u>9,115</u>

12 RIGHT-OF-USE ASSETS

	(Un-audited) June 30, 2025			(Audited) December 31, 2024		
	Buildings	Others	Total	Buildings	Others	Total
..... Rupees in '000						
At January 1						
Cost	1,546,930	-	1,546,930	1,450,311	-	1,450,311
Accumulated Depreciation	689,875	-	689,875	593,372	-	593,372
Net opening carrying amount	<u>857,055</u>	<u>-</u>	<u>857,055</u>	<u>856,939</u>	<u>-</u>	<u>856,939</u>
Additions during the period / year	224,498	-	224,498	324,882	-	324,882
Deletions during the period / year	44,664	-	44,664	49,311	-	49,311
Depreciation charge for the period / year	139,300	-	139,300	275,455	-	275,455
Net closing carrying amount	<u>897,589</u>	<u>-</u>	<u>897,589</u>	<u>857,055</u>	<u>-</u>	<u>857,055</u>

		(Un-audited) June 30, 2025 ... Rupees in '000 ...	(Audited) December 31, 2024
13 INTANGIBLE ASSETS			
Computer Software		140,194	172,427
		(Un-audited) June 30, 2025 ... Rupees in '000 ...	June 30, 2024
13.1 Additions to intangible assets			
Additions made during the period:			
Directly purchased		18,666	6,100
	Note	(Un-audited) June 30, 2025 ... Rupees in '000 ...	(Audited) December 31, 2024
14 DEFERRED TAX ASSETS			
Deductible temporary differences on:			
Credit loss allowance against non-performing loans and advances		16,137,123	18,742,145
		16,137,123	18,742,145
Taxable temporary differences on:			
Accelerated tax depreciation		(152,355)	(274,388)
Defined benefit plans		(2,492,769)	(2,460,407)
Surplus on revaluation of investments		(2,583,206)	(2,531,403)
		(5,228,330)	(5,266,198)
		10,908,793	13,475,947
15 OTHER ASSETS			
Income / mark-up accrued in local currency on :			
- advances		9,351,522	13,421,515
- securities		8,653,239	12,218,003
- deposits		103,272	34,316
Amount recoverable from Federal Government		2,856,194	2,887,888
Tax recoverable		422,652	422,652
Branch adjustment account		2,415,393	1,625,809
Taxation (payments less provision)		-	1,453,221
Receivable from gratuity scheme - SR 2005		1,280,742	1,184,271
Non banking assets acquired in satisfaction of claims		399,641	407,301
Due from Islamic Banking		-	3,655
Stationery and stamps in hand		152,423	163,445
Stock of farm machinery		11,237	11,237
Advances against salary and expenses		68,115	60,882
Security deposits		7,938	7,899
Advances and other prepayments		1,866,461	1,658,376
Clearing and settlement		1,128,528	160,566
Others		234,864	173,621
		28,952,221	35,894,657
Credit loss allowance held against other assets	15.1	(1,476,542)	(1,465,073)
Other assets - net of credit allowance		27,475,679	34,429,584
15.1 Credit loss allowance held against other assets			
Tax recoverable		422,652	422,652
Non banking assets acquired in satisfaction of claims		399,641	407,301
Amount recoverable from Federal Government		551,140	551,140
Stock of farm machinery		11,237	11,237
Accrued interest on advances of ex-employees		16,801	16,070
Amount deposited with courts / legal charges recoverable		75,071	56,673
		1,476,542	1,465,073

(Un-audited)	(Audited)
June 30,	December 31,
2025	2024
... Rupees in '000 ...	

15.1.1 Movement in credit loss allowance held against other assets

Opening balance	1,465,073	988,669
Charge for the period / year	34,025	521,703
Reversals	(22,556)	(45,299)
	11,469	476,404
Closing balance	1,476,542	1,465,073

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 May 11, 2019 for the period January 2012 to December 2012 creating a demand of Rs 6.42 million (Principle + Penalty). On June 3, 2019, payment of impugned tax amounting Rs. 6.6 million (Principle + 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 August 12, 2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on June 30, 2022, being time barred at the Commissioner Appeals. The AT (SRB) remanded the case to CIR (A) for passing Order-in-Appeal within 60 days. The Bank is expecting a favorable decision.
- 16.3 Assistant Commissioner, Sindh Revenue Board (SRB) passed the order on July 11, 2019 for the period January 2013 to December 2013 creating a demand of Rs 2.75 million. On June 3, 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 August 12, 2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on June 30, 2022, being time barred at the Commissioner Appeals. The AT (SRB) remanded the case to CIR (A) for passing Order-in-Appeal within 60 days. The Bank is expecting a favorable decision.
- 16.4 Assistant Commissioner, Sindh Revenue Board (SRB) passed the order on January 24, 2020 for the period of January 2014 to December 2014 which created a demand of Rs.54.6 million. On June 3, 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 August 12, 2022 but remained undecided and appeal/case has been transferred to Appellate Tribunal by the Commissioner (Appeals-I) on June 30, 2022, being time barred at the Commissioner Appeals. The AT (SRB) remanded the case to CIR (A) for passing Order-in-Appeal within 60 days. The Bank is expecting a favorable decision.

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
... Rupees in '000 ...			
17	BILLS PAYABLE		
	In Pakistan	443,007	451,707
18	BORROWINGS		
	Secured		
	Borrowing from State Bank of Pakistan (SBP):		
	Redeemable preference shares	18.1 -	54,461,536
	Repurchase agreement borrowings	195,270,534	251,568,896
	Repurchase agreement borrowings - others	5,479,904	13,014,346
	Borrowings from other banks	-	19,385,015
	Total secured	200,750,438	338,429,793
	Unsecured		
	Borrowing from Federal Government:		
	Preference shares	18.1 54,461,536	-
	Call borrowings	35,434,814	69,637,176
		290,646,788	408,066,969

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 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. Related contractual / legal formalities are in process.

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
... Rupees in '000 ...		
19	DEPOSITS AND OTHER ACCOUNTS	
	Customers - local currency	
	Current deposits	9,327,553
	Saving deposits	10,175,082
	Term deposits	10,766,605
	Others	11,935,409
		27,396,783
		31,712,703
		394,434
		187,903
		47,885,375
		54,011,097
	Financial Institutions - local currency	
	Current deposits	228,439
	Saving deposits	126,063
	Term deposits	622,199
		951,369
		-
		-
		850,638
		1,077,432
		48,736,013
		55,088,529

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	... Rupees in '000 ...	
20 LEASE LIABILITIES		
Outstanding amount at the start of the period / year	997,225	983,391
Additions during the period / year	206,930	270,098
Lease payments including interest	(173,006)	(336,217)
Interest expense	64,735	126,658
Remeasurement	(48,735)	(46,705)
Outstanding amount at the end of the period / year	<u>1,047,149</u>	<u>997,225</u>
20.1 Liabilities Outstanding		
Short-term lease liabilities - within one year	84,614	82,572
Long-term lease liabilities		
- 1 to 5 years	522,216	425,336
- 5 to 10 years	373,322	429,234
- More than 10 years	66,997	60,083
	<u>962,535</u>	<u>914,653</u>
Total lease liabilities	<u>1,047,149</u>	<u>997,225</u>
21 OTHER LIABILITIES		
Mark-up / return / interest payable in local currency on:		
- borrowings	602,723	3,407,005
- deposits and other accounts	2,059,690	2,515,502
Accrued expenses	664,659	1,746,765
Taxation (provisions less payments)	167,262	-
Net liabilities relating to Bangladesh	189	189
Payable to Ministry of Food Agriculture & Livestock	168,000	168,000
Provision for:		
- gratuity scheme - SR - 2005	-	-
- pension scheme	6,744,858	6,344,733
- employees' post retirement medical benefits	10,853,045	10,439,311
- employees' compensated absences	2,124,753	2,153,930
- gratuity scheme of the company	440,944	420,541
Due to Islamic Banking	3,596	-
Security deposits	27,519	23,010
Deferred income	8,832	9,058
Others	2,441,489	2,062,342
	<u>26,307,559</u>	<u>29,290,386</u>

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		... Rupees in '000 ...	
22	SURPLUS ON REVALUATION OF ASSETS		
	Surplus on revaluation of:		
	- securities measured at FVOCI - Equity	2,944,366	3,118,309
	- securities measured at FVOCI - Debt	2,023,338	1,657,923
		<u>4,967,704</u>	<u>4,776,232</u>
	Deferred tax on surplus on revaluation of:		
	- securities measured at FVOCI - Equity	(1,531,070)	(1,652,704)
	- securities measured at FVOCI - Debt	(1,052,136)	(878,699)
		<u>(2,583,206)</u>	<u>(2,531,403)</u>
		<u>2,384,498</u>	<u>2,244,829</u>
23	CONTINGENCIES AND COMMITMENTS		
23.1	Contingent liabilities		
	In respect of cases filed against the Bank:		
23.1.1	by borrowers; 470 (December 31, 2024: 402) cases	<u>324,905</u>	<u>338,547</u>
23.1.2	by employees; 384 (December 31, 2024: 417) cases	<u>229,638</u>	<u>276,281</u>
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. 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. 90,990.72 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. 669.768 million u/s 161/205 for tax years 2009-2012, Rs. 19.528 million u/s 155 for tax year 2014-2015, Rs. 77,783.97 million u/s 122(5A) for tax years 2010-2024, Rs. 0.619 million u/s 153 for tax year 2015, Rs. 170.675 million u/s 149 for tax years 2015-2016, Rs. 81.797 million u/s 151 for tax years 2015-2016, Rs. 1,565.379 million u/s 122(1) for tax year 2018, Rs. 737.38 million u/s 122(4) for tax years 2019 and 2022 and Rs. 43.75 million u/s 4(B) for tax year 2022. Rs. 9,917.854 million from disputes covering assessment years 2002-2003 and tax years 2003-2009. 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 2008-2016, the Bank is facing total contingent liabilities amounting to Rs. 2,698.10 million related to Federal Excise Duties and Sales Tax matters. These cases are currently under litigation at various forums, including the Honorable Islamabad High Court, the Appellate Tribunal Inland Revenue, and other relevant tribunals and authorities. For the years 2008-2012, contingent liabilities amounting to Rs. 825.121 million were contested, with Rs. 343 million decided in favor of the Bank, leaving Rs. 482.121 million still under dispute. For the periods January 2013 to December 2014, demands of Rs. 738.892 million and Rs. 681.109 million were raised for Federal Excise Duties, and Rs. 4.470 million and Rs. 13.396 million for Sales Tax. For December 2016, a demand of Rs. 10.25 million by the Punjab Revenue Authority was partially contested. The Sindh Revenue Board raised demands for July 2011 to December 2011 and January 2015 to December 2016, totaling Rs. 26.61 million. Other cases include a demand of Rs. 712.135 million for tax year 2015/-2016, Rs. 29.121 million for tax year 2019. 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 (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 million (service charges value only) therefore sales tax amounting to Rs. 184.059 million is recoverable from the Company u/s 11(2) of STA, 1990 read with ICT (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 STD is Rs. 184.791 million. Management submitted reply on dated April 10, 2023 through tax consultant and an 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 favor 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 an hearing was conducted on Jul 6, 2023. The CIR (Appeal-IV) has remanded the case back to the STD 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 million against erroneous 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, the department 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 favor of the Company.

- 23.2.6 The Officer Inland Revenue LTU, Islamabad has initiated proceedings against the Company u/s 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 (December 31, 2024: same as mentioned).

	(Un-audited) June 30, 2025 ... Rupees in '000 ...	(Audited) December 31, 2024
23.3 Commitments against		
Capital expenditure	1,263,413	1,253,127
Consultancy Expenditure	7,064	7,770

	(Un-audited) June 30, 2025 ... Rupees in '000 ...	June 30, 2024
24 MARK-UP / RETURN / INTEREST EARNED		

Loans and advances	11,974,285	13,146,406
Investments	20,536,961	38,044,090
Securities purchased under resale agreement	208,890	206,544
Call money lendings	265,628	400,673
Balances with banks	901,945	2,023,456
	<u>33,887,709</u>	<u>53,821,169</u>

24.1 Interest income recognised on:		
Financial assets measured at amortised cost	13,350,748	15,777,079
Financial assets measured at FVOCI	18,973,669	36,615,527
	<u>32,324,417</u>	<u>52,392,606</u>

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

Deposits	3,009,319	4,830,945
Redeemable preference shares - SBP	1,689,800	2,042,308
Securities sold under repurchased agreement	14,313,782	35,853,168
Call borrowings	2,041,574	2,697,912
Bank commission and other charges	25,285	11,041
On lease liability against right-of-use assets	64,735	58,603
	<u>21,144,495</u>	<u>45,493,977</u>

		(Un-audited)	
		June 30,	June 30,
		2025	2024
		Rupees in '000	
		Note	
26	FEE & COMMISSION INCOME		
	Branch banking customer fees		21,803 28,722
	Credit related fees		487,658 103,429
	Commission on remittances including home remittances		2,347 1,802
			<u>511,808 133,953</u>
27	GAIN ON SECURITIES		
	Realised	27.1	682,755 516,410
	Unrealised - Measured at FVPL		11,343 1,948
			<u>694,098 518,358</u>
27.1	Realised gain on: Federal Government Securities		<u>682,755 516,410</u>
28	OTHER INCOME		
	Rent on property		19,636 16,218
	Gain on sale of fixed assets - net		3,811 6,574
	Gain on sale of non banking assets - net		13,090 19,849
	Deferred income amortization		226 239
	Discount income		899,657 642,748
	Others	28.1	(7,163) 45,086
			<u>929,257 730,714</u>
28.1	Other includes sale of scrap, sale of tender forms, recoveries against penalties imposed by SBP and private use of vehicles etc.		

OPERATING EXPENSES

(Un-audited)
June 30, June 30,
2025 2024
... Rupees in '000 ...

Total compensation expense 5,388,067 5,291,944

Property expense

Rent & taxes	10,014	9,897
Insurance	46,509	40,661
Utilities cost	176,274	188,144
Repair and maintenance (including janitorial charges)	126,340	145,486
Depreciation	18,012	17,187
Depreciation - right of use assets	139,300	129,362
	516,449	530,737

Information technology expenses

Software maintenance	224,441	172,528
Hardware maintenance	94,997	33,658
Depreciation	69,851	25,212
Amortisation	50,897	60,904
Network charges	72,225	45,597
	512,411	337,899

Other operating expenses

Directors' fees and allowances	11,331	8,254
Legal & professional charges	69,131	107,277
Travelling & conveyance	63,137	43,761
NIFT clearing charges	21,912	9,776
Depreciation	59,185	54,841
Training & development	19,029	14,252
Postage & courier charges	15,532	16,897
Communication	11,585	12,886
Stationery & printing	41,397	35,099
Marketing, advertisement & publicity	17,040	7,783
Motor vehicle expenses	347,163	346,702
Auditors Remuneration	663	663
Others	121,490	106,782
	7,215,522	6,925,553

OTHER CHARGES

Penalties imposed by SBP	545	1,469
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		(Un-audited)	
	Note	June 30, 2025	June 30, 2024
		Rupees in '000	
31	CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET		
	Credit loss allowance against balances with other banks	1,303	-
	Credit loss reversal against lending to financial institutions	(1,570)	-
	Credit loss reversal for diminution in value of investments	(14)	-
	Credit loss reversal against loans & advances	10.3	(557,393)
	Fixed assets charged-off	-	2,524
	Credit loss allowance / (reversal) against other asset:	15.1.1	11,469
	Recovery of written off / charged off bad debts	(4,998,158)	(4,222,504)
		<u>(5,544,363)</u>	<u>(2,856,434)</u>
32	TAXATION		
	Current	4,715,315	1,828,863
	Prior year	183,062	-
	Deferred	2,515,352	985,149
		<u>7,413,729</u>	<u>2,814,012</u>
33	EARNINGS PER SHARE - BASIC AND DILUTED		
	Profit after tax for the period	5,805,861	2,833,797
	Weighted average number of ordinary shares	<u>5,267,843,241</u>	<u>5,267,843,241</u>
	Earnings per share - basic and diluted (Rupees)	<u>1.10</u>	<u>0.54</u>
33.1	There is no dilutive effect on the basic earnings per share of the Bank.		

34

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

Note

(Un-audited)
June 30, June 30,
2025 2024
Rupees in '000

Profit before taxation		13,219,590	5,647,809
Less: Dividend income		(12,917)	(8,180)
		<u>13,206,673</u>	<u>5,639,629</u>
Adjustments:			
Net mark-up / interest income		(12,743,214)	(8,327,192)
Depreciation		147,048	97,240
Depreciation on right-of-use assets	29	139,300	129,362
Amortization	29	50,897	60,904
Amortization of deferred income	28	(226)	(239)
Markup on lease liability on right-of-use assets	25	64,735	58,603
Credit loss allowance and write-offs - net	31	(546,205)	1,366,070
Provision for employees post retirement medical benefits		664,054	808,058
Charge for defined benefit plans - net		601,101	734,655
Gain on sale of non banking assets acquired in satisfaction of claims - net	28	(13,090)	(19,849)
Gain on securities	27	(694,098)	(518,358)
Gain on sale of operating fixed assets	28	(3,811)	(6,574)
		<u>(12,333,509)</u>	<u>(5,617,320)</u>
		<u>873,164</u>	<u>22,309</u>

35

CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	6	3,727,936	3,742,483
Balances with other banks	7	18,718,378	2,194,023
		<u>22,446,314</u>	<u>5,936,506</u>

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, 2025 (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	-	257,857,577	- 257,857,577
- Shares	3,033,662	-	- 3,033,662
- Debt securities (TFCs, Sukuk)	2,300,876	-	- 2,300,876
	<u>5,334,538</u>	<u>257,857,577</u>	<u>- 263,192,115</u>

December 31, 2024 (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	-	370,614,398	-	370,614,398
- Shares	3,207,605	-	-	3,207,605
- Debt securities (TFCs, Sukuk)	2,352,450	-	-	2,352,450
	<u>5,560,055</u>	<u>370,614,398</u>	<u>-</u>	<u>376,174,453</u>

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, 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 / (loss) before tax	8,221,250	4,884,955	(42,725)	156,110	13,219,590
Balance Sheet					
Cash & Bank balances	4,333,961	17,501,364	402,183	206,019	22,443,527
Investments	-	261,636,151	1,555,964	-	263,192,115
Net inter segment lendings	66,099,224	-	-	1,719,388	67,818,612
Lendings to financial institutions	-	8,783,904	7,950,000	-	16,733,904
Advances - performing	106,045,356	-	29,354	-	106,074,710
- non-performing (net of provision)	7,173,969	-	-	-	7,173,969
Others	28,798,694	10,499,033	1,761,646	205,183	41,264,556
Total Assets	212,451,204	298,420,452	11,699,147	2,130,590	524,701,393
Borrowings	54,461,536	230,075,252	6,110,000	-	290,646,788
Subordinated debt	-	-	-	-	-
Deposits & other accounts	45,059,775	-	3,676,238	-	48,736,013
Net inter segment borrowing	1,719,388	65,499,224	500,000	100,000	67,818,612
Others	25,242,444	605,075	1,369,312	580,884	27,797,715
Total Liabilities	126,483,143	296,179,551	11,655,550	680,884	434,999,128
Equity	85,868,061	2,340,901	43,597	1,449,706	89,702,265
Total Equity & Liabilities	212,351,204	298,520,452	11,699,147	2,130,590	524,701,393
Contingencies & Commitments					
	95,513,840	-	-	435,876	95,949,716

June 30, 2024 (Un-Audited)

	Branch Banking & Agri Financing	Treasury	Islamic Banking	Kissan Support Services Limited	Total
 Rupees in '000				
Profit & Loss					
Net mark-up/return/profit	5,937,748	2,232,058	157,252	134	8,327,192
Inter segment revenue - net	2,076,851	(2,215,444)	-	138,593	-
Non mark-up / return / interest income	752,495	526,538	2,015	110,157	1,391,205
Total Income	8,767,094	543,152	159,267	248,884	9,718,397
Segment direct expenses	6,731,933	34,469	116,837	43,783	6,927,022
Inter segment expense allocation	(33,614)	-	-	33,614	-
Total expenses	6,698,319	34,469	116,837	77,397	6,927,022
Credit loss allowance	(2,856,434)	-	-	-	(2,856,434)
Profit before tax	4,925,209	508,683	42,430	171,487	5,647,809

December 31, 2024 (Audited)

	Branch Banking & Agri Financing	Treasury	Islamic Banking	Kissan Support Services Limited	Total
 Rupees in '000				
Balance Sheet					
Cash & Bank balances	3,785,190	6,550,505	267,541	15,140	10,618,376
Investments	-	374,517,656	1,656,797	-	376,174,453
Net inter segment lending	68,666,097	-	-	1,812,431	70,478,528
Lendings to financial institutions	-	17,300,072	13,650,000	-	30,950,072
Advances - performing	101,613,315	-	8,032	-	101,621,347
- non-performing (net of provision)	7,499,863	-	-	-	7,499,863
Others	35,496,078	13,737,680	1,340,506	213,176	50,787,440
Total Assets	217,060,543	412,105,913	16,922,876	2,040,747	648,130,079
Borrowings	54,461,536	339,805,433	13,800,000	-	408,066,969
Subordinated debt	-	-	-	-	-
Deposits & other accounts	53,733,563	-	1,354,966	-	55,088,529
Net inter segment borrowing	1,812,431	68,066,097	500,000	100,000	70,478,528
Others	26,893,629	2,094,536	1,189,325	561,828	30,739,318
Total Liabilities	136,901,159	409,966,066	16,844,291	661,828	564,373,344
Equity	80,054,402	2,244,829	78,585	1,378,919	83,756,735
Total Equity & Liabilities	216,955,561	412,210,895	16,922,876	2,040,747	648,130,079
Contingencies & Commitments	96,622,040	-	-	435,876	97,057,916

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, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
..... Rupees in '000						
Advances						
Opening balance	98,550	54,997	-	-	-	-
Addition	13,069	74,572	-	-	-	-
Repaid	(12,475)	(31,019)	-	-	-	-
Closing balance	99,144	98,550	-	-	-	-
Other assets						
Interest / mark-up accrued	12,802	11,266	-	-	-	-
Receivable at the end of the period	-	-	1,280,742	1,184,271	-	-
Deposits and other accounts						
Opening balance	9,495	2,085	11,990,670	12,001,475	334,598	274,290
Received during the period / year	179,776	232,219	799,102	16,795,203	2,843	590,448
Withdrawn during the period / year	(175,776)	(224,809)	(1,578,793)	(16,806,008)	(247)	(530,140)
Closing balance	13,495	9,495	11,210,979	11,990,670	337,194	334,598
Other liabilities						
Interest / mark-up payable	-	-	713,777	288,217	29,545	11,090
Payable at the end of the period	-	-	19,722,656	18,937,974	-	-

	Key Management Personnel		Defined Benefit Plans		Agricultural Technology Development Fund	
	2025	2024	2025	2024	2025	2024
..... (Un-audited) Half year ended June 30, Rupees in '000						
Income						
Mark-up / interest earned	1,899	1,179	-	-	-	-
Expense						
Mark-up / interest paid	-	-	60,269	78,827	2,843	3,795
Compensation	200,256	109,895	-	-	-	-
Post retirement benefit	2,203	2,168	-	-	-	-
Contribution to defined benefit plan	434	428	-	-	-	-

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, 2025 ... Rupees in '000 ...	(Audited) December 31, 2024
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	83,562,809	74,684,118
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	83,562,809	74,684,118
Eligible Tier 2 Capital	4,270,425	4,174,704
Total Eligible Capital (Tier 1 + Tier 2)	87,833,234	78,858,822
Risk Weighted Assets (RWAs):		
Credit Risk	150,874,124	154,389,975
Market Risk	17,970,525	20,718,775
Operational Risk	43,898,575	43,898,575
Total	212,743,224	219,007,325
Common Equity Tier 1 Capital Adequacy Ratio	39.28%	34.10%
Tier 1 Capital Adequacy Ratio	39.28%	34.10%
Total Capital Adequacy Ratio	41.29%	36.01%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	83,562,809	74,684,118
Total exposures	457,027,282	577,770,414
Leverage ratio	18.28%	12.93%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	79,567,288	75,177,791
Total Net Cash Outflow	24,631,305	32,376,518
Liquidity Coverage Ratio	323%	232%
Net Stable Funding		
Total Available Stable Funding	185,849,862	200,257,341
Total Required Stable Funding	146,563,235	162,878,163
Net Stable Funding Ratio	127%	123%

40 ISLAMIC BANKING BUSINESS

The Group is operating 29 (December 31, 2024: 25) Islamic banking branches as at June 30, 2025.

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		... Rupees in '000 ...	
	Note		
ASSETS			
Cash and balances with treasury banks		347,124	141,150
Balances with other banks		55,059	126,391
Due from financial institutions	40.1	7,950,000	13,650,000
Investments	40.2	1,555,964	1,656,797
Islamic financing and related assets - net	40.3	29,354	8,032
Property and equipment		120,634	120,687
Intangible assets		-	-
Due from Head Office		-	-
Other assets		1,641,012	1,219,819
Total Assets		11,699,147	16,922,876
LIABILITIES			
Bills payable		21,669	4,435
Due to financial institutions		6,110,000	13,800,000
Deposits and other accounts	40.4	3,676,238	1,354,966
Due to Head Office		1,261,186	963,273
Subordinated debt		-	-
Other liabilities		86,457	221,617
		11,155,550	16,344,291
NET ASSETS		543,597	578,585
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of assets		19,690	11,953
Un-appropriated profit	40.5	23,907	66,632
		543,597	578,585
CONTINGENCIES AND COMMITMENTS			
	40.6		
The profit and loss account of the Bank's Islamic banking branches is as follows:			
		(Un-audited)	
	Note	June 30, 2025	June 30, 2024
		... Rupees in '000 ...	
Profit / return earned	40.7	729,825	1,462,476
Profit / return expensed	40.8	624,415	1,305,224
Net Profit / return		105,410	157,252
Other income			
Fee and Commission Income		1,465	2,015
Dividend Income		-	-
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		3,676	-
Other Income		-	-
Total other income		5,141	2,015
Total Income		110,551	159,267
Other expenses			
Operating expenses		153,276	116,837
Workers Welfare Fund		-	-
Other charges		-	-
Total other expenses		153,276	116,837
(Loss) / profit before credit loss allowance		(42,725)	42,430
Credit loss allowance and write offs - net		-	-
(Loss) / profit before taxation		(42,725)	42,430
Taxation		-	19,378
(Loss) / profit after taxation		(42,725)	23,052

40.1 Due from financial institutions

Unsecured :

Musharakah

June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
In local currency	In foreign currency	Total	In local currency	In foreign currency	Total
..... Rupees in '000					
7,950,000	-	7,950,000	13,650,000	-	13,650,000
7,950,000	-	7,950,000	13,650,000	-	13,650,000

40.2 Investments

Federal Government securities

Ijarah sukuk

Non Government Debt Securities

Listed securities

Total investments

June 30, 2025 (Un-audited)				December 31, 2024 (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							
1,228,265	-	17,963	1,246,228	1,287,277	-	8,343	1,295,620
308,009	-	1,727	309,736	357,566	-	3,611	361,177
1,536,274	-	19,690	1,555,964	1,644,843	-	11,954	1,656,797

(Un-audited)	(Audited)
June 30,	December 31,
2025	2024
... Rupees in '000 ...	

40.3 Islamic financing and related assets

Ijarah	1,500	-
Diminishing Musharakah	27,854	8,032
Gross Islamic financing and related assets	29,354	8,032
Less: Credit loss allowance against Islamic financings	-	-
- Specific	-	-
- General	-	-
Islamic financing and related assets - net of credit loss allowance	29,354	8,032

40.4 Deposits

Customers - local currency

Current deposits	385,731	392,796
Savings deposits	1,142,287	719,767
Term deposits	20,745	242,165
Others	18,238	238
	1,567,001	1,354,966

Financial Institutions

Current deposits	-	-
Savings deposits	-	-
Term deposits	2,109,237	-
	3,676,238	1,354,966

40.5 Islamic Banking Business Accumulated Profit

Opening Balance	66,632	48,202
Add: Islamic Banking (loss) / profit for the period / year	(42,725)	41,002
Less: Taxation	-	22,572
Closing Balance	23,907	66,632

40.6 Contingencies and commitments

40.6.1 There are no contingencies outstanding against Islamic banking at the reporting date (December 31, 2024 : Nil).

40.6.2 There are no commitments made by the Islamic banking at the reporting date (December 31, 2024 : Nil).

(Un-audited)
June 30, **June 30,**
2025 **2024**
... Rupees in '000 ...

40.7 Profit / return earned of financing, investments and placement

Profit earned on:

Financing	1,158	34
Investments	161,685	1,448,279
Placements	566,982	14,163
	<u>729,825</u>	<u>1,462,476</u>

40.8 Profit on deposits and other dues expensed

Deposits and other accounts	167,028	161,741
Commission and other charges	1,003	-
Call borrowings	456,384	1,143,483
	<u>624,415</u>	<u>1,305,224</u>

41 CORRESPONDING FIGURES

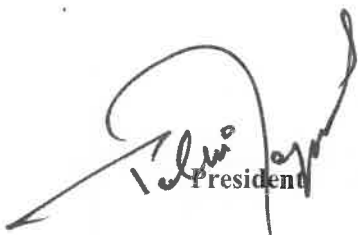
Corresponding figures have been rearranged, reclassified or additionally incorporated in these consolidated condensed interim financial statements (un-audited) wherever necessary to facilitate comparison and better presentation.

42 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements (un-audited) were authorized for issue on 23 AUG 2025 by the Board of Directors of the Bank.

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