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Reflections of Excellence

Annual Report 2025

faysalbank



Aks-e-Kamaal

Reflections of Excellence

Where Legacy Meets Light.

True excellence is a reflection—a quiet harmony between the values we hold and the future we build. Just as the Faysal Masjid stands as a testament to symmetry and grace, our path is guided by a geometry of faith that remains timeless.

Aks-e-Kamaal captures this essence. It is the art of mirroring our heritage in every modern endeavor. As light transforms the horizon from dawn to dusk, we reflect a legacy of integrity, shaping a progress that is as luminous as it is enduring.

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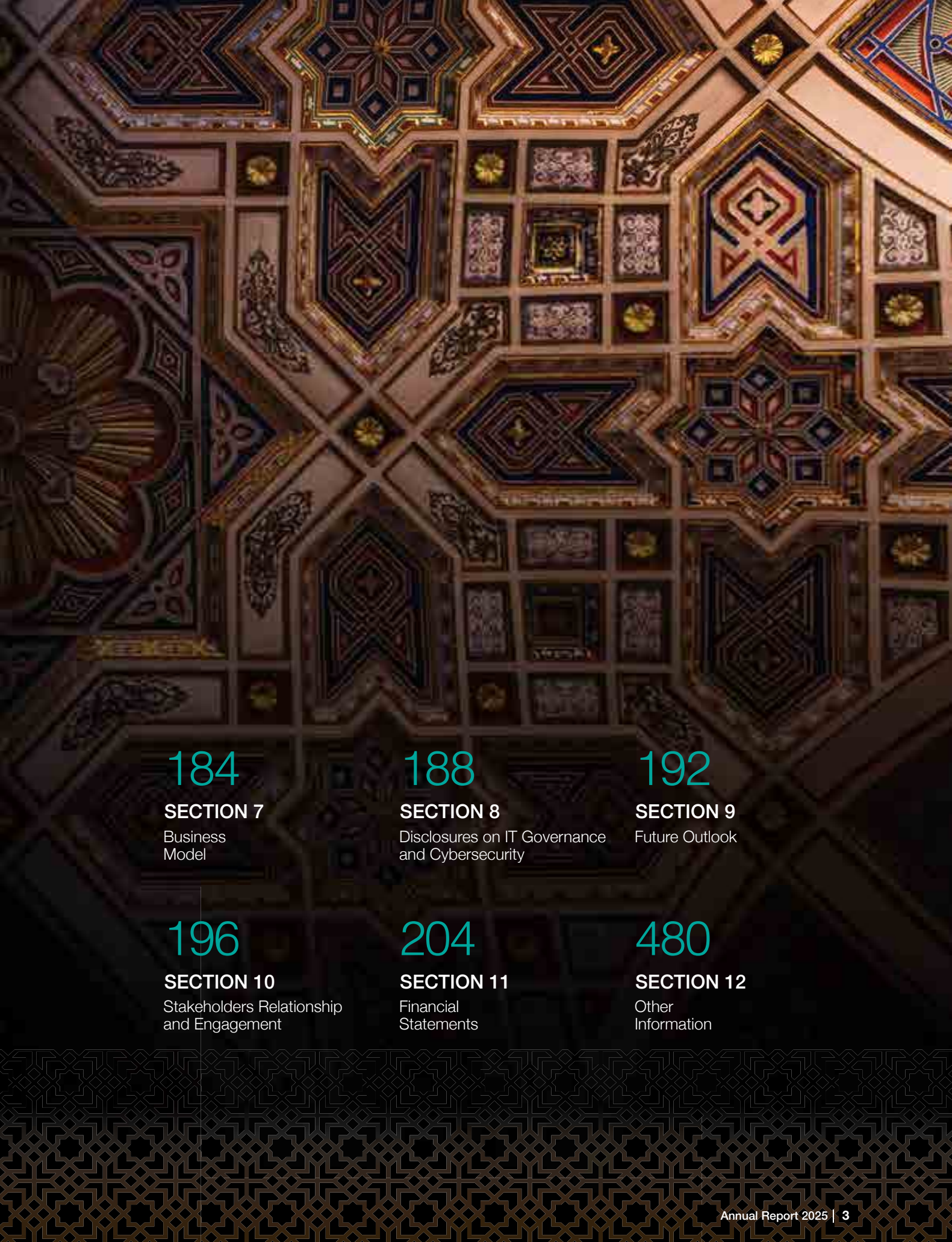
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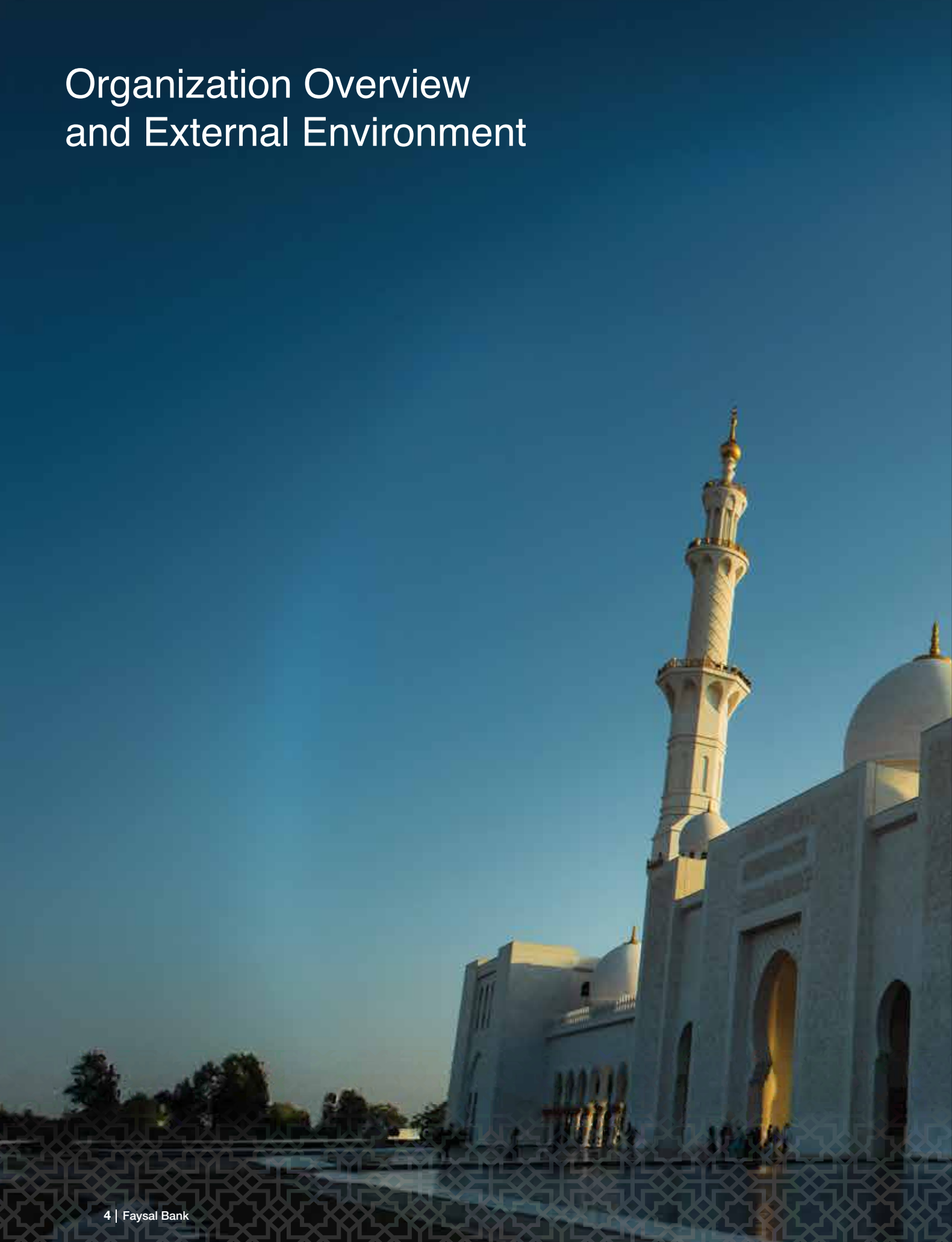
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Organization Overview and External Environment



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Key Message from the Chairman

Respected valued shareholders, customers and other stakeholders.

السلام عليكم ورحمة الله وبركاته

It is a privilege for me to present the Annual Report of Faysal Bank Limited ("FBL or Bank") for the year 2025.

As one of Pakistan's leading Islamic financial institutions, FBL continues its purposeful journey of transformation, delivering structured growth, operational resilience, and steady advancement in Shariah-compliant banking.

The year 2025 presented several macro-economic challenges, marked by subdued GDP growth, lower foreign direct investment and imposition of several regulatory and taxation related measures which had a direct impact on the profitability of the Banking sector, especially Islamic banks. The policy rate was averaged from 21% in 2024 to 11.5% in 2025, enhancement of the tax rate on banking sector companies, and revision of formula which enhanced the 'minimum deposit rate for the depositors managed by Islamic banks.

Despite these headwinds, FBL's financial position remained robust with total assets increasing to Rs 1.8 trillion, total deposits increasing to Rs 1.4 trillion, and Consolidated Profit after tax for the year 2025 is at Rs 22.5 billion. Additionally, FBL has also realized gains directly in equity amounting to Rs. 1.5 billion during 2025. Capital adequacy remained comfortably above regulatory requirements. These outcomes underscore the strength of our business model and our ability to create sustainable value across economic cycles through high quality balance sheet growth and a focus on strategic targets related to network expansion, technology led efficiency and customer's experience.

FBL remained one of the best banks in Asia Pacific region in the local equity market and generated 115% total return to the investors during the year 2025 as devised by Standard & poor. Therefore, our transformation continues to be supported by disciplined expansion and our branch network grew to 900 branches by Dec 2025. This expansion enhances financial access and inclusion, ensuring that Islamic banking solutions are available to communities across Pakistan.

Digital transformation remains a cornerstone of our strategy. We continued to invest in upgrading our digital platforms, strengthening cybersecurity, and expanding payment

solutions to deliver a seamless and secure customer experience. During the year, several initiatives were taken to enhance customer engagement, improve efficiency, and strengthen our risk management framework.

The Bank continues to play a meaningful role in financial inclusion and economic empowerment. Our focus on individual accounts, women's banking, SMEs, and corporate entities reflects our belief in inclusive growth through tailored solutions. Moreover, FBL encourages various entrepreneurs and businesses, irrespective of their size and volume.

The Bank has been recognized through numerous awards and has won the coveted 'Best Mid-Sized Bank Award' at the 2025 Pakistan Banking Awards. Furthermore, in remittances, FBL has been recognized by the State Bank of Pakistan (SBP) as the 5th largest contributor to the country's remittance market in the Banking sector under its Pakistan Remittance Initiative (PRI). These awards highlight FBL's excellence and growing leadership, reflecting trust and confidence placed in the Bank by its valued customers both in Pakistan and abroad.

Looking ahead, FBL has completed development of a comprehensive new Five-Year Strategic Plan (2026–2030) which aims to position the bank as a top-tier performer in the industry, In Sha'a Allah with a clear focus on sustainable growth, innovation across customer segments, and excellence in Shariah-compliant banking. By strengthening through additional Tier II Capital and expanding our branch network, we are building a foundation for resilient and sustained growth. In addition, our digital transformation continues to gain momentum. To streamline processes and informed decision-making, ensuring the Bank remains competitive in all areas and inclined to use AI tools.

FBL would like to assure our stakeholders that our focus on Islamic Banking principles remains unwavering. Guided by our esteemed Shariah Supervisory Board ensuring that all products and services adhere to the highest standards of Shariah compliance, ethics, and social responsibility. This foundation enables us to serve our customers with integrity and sustainability.

FBL is an integral part of the Dar Al-Maal Al-Islami Trust Group and Ithmaar Group, which is fully committed to support its ongoing expansion through management continuity and focus on implementation of the five-year strategic plan through brining in best international practices and support in development of world class products and services tailored to customer needs.

Guided by Islamic values, FBL continued to support education, healthcare, and community development initiatives. In alignment with national priorities, updated its Green Banking Policy, reaffirming our commitment to environmental, social, and governance (ESG) objectives and allocated an amount of Rs 139 million to our partnership with key charities.

I would like to express my sincere gratitude to the State Bank of Pakistan for its guidance and support, to my fellow Board members for their stewardship, to the Shariah Supervisory Board for its continued guidance, and to our management and employees for their dedication and professionalism. I am equally grateful to our shareholders and to our customers for their enduring trust and the confidence reposed.



Thank You,

Mian Muhammad Younis,
Chairman, Board of Directors



Vision

To be the best customer centric Islamic bank, driven by passion and belief.

Mission

Achieve leadership in providing Shariah compliant financial services with customer care and employee focus, at the heart of our business ethos together with innovation and technology being the pillars of our growth.

Values





Code Of Conduct on Corporate Website



<https://www.faysalbank.com/assets/documents/Code-of-Conduct.pdf>

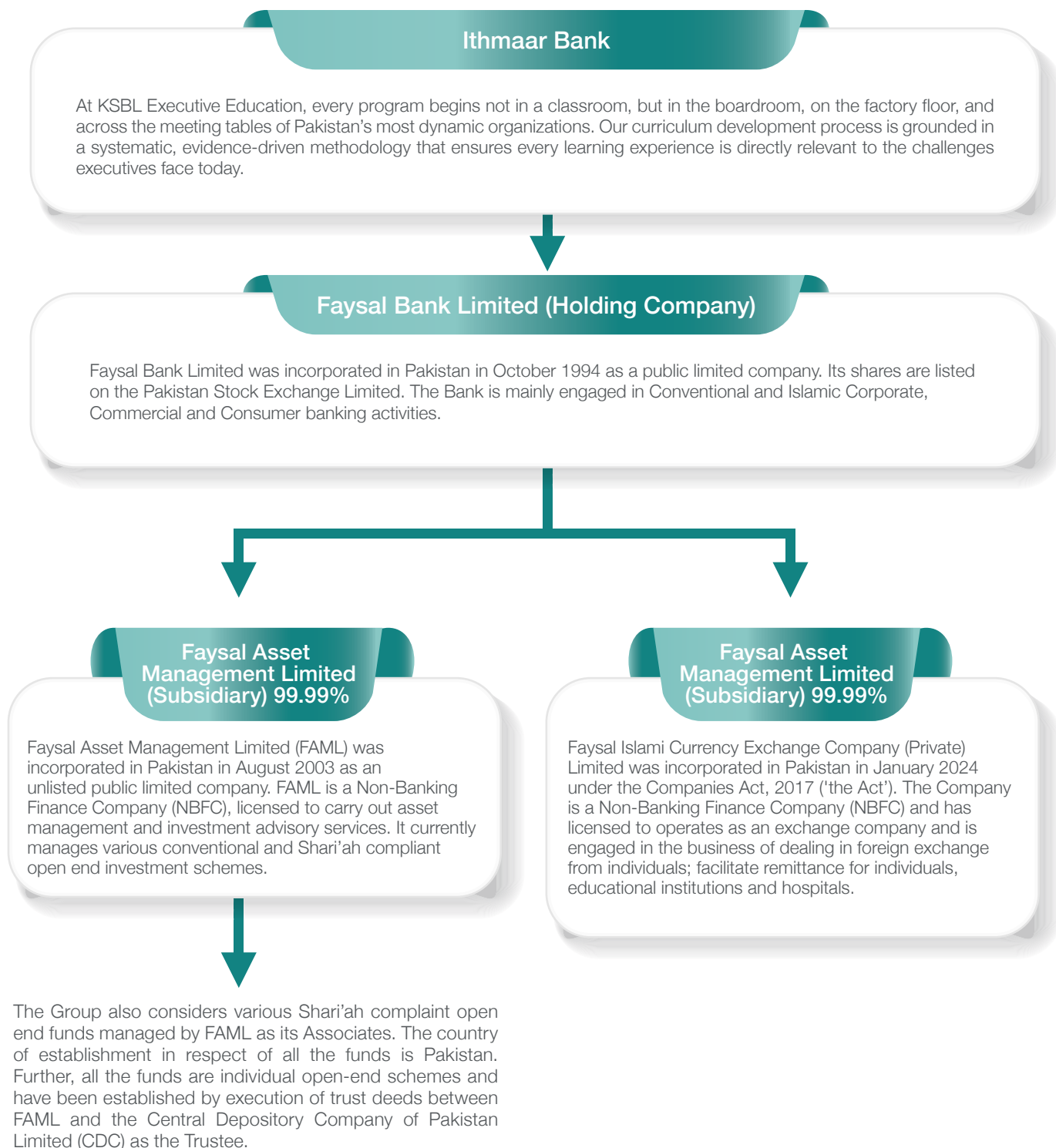
Code of Ethics

FBL's Code of Ethics establishes the expected standards of conduct for all employees and provide guidance in fulfilling their professional obligations. Aligned with Faysal Bank's Core Values, the Code supports and strengthens FBL's Vision by fostering behaviors consistent with ethical principles. The Code is designed to prevent workplace misconduct and promote an ethical culture by requiring employees to:

- Comply with FBL's policies, regulatory instructions and applicable Shariah guidelines.
- Demonstrate integrity and honesty in all circumstances.
- Treat others with care and respect.
- Avoid conflicts of interest.
- Respect confidentiality and safeguard sensitive and proprietary information.

The comprehensive Code of Ethics, which requires staff acknowledgment, is accessible to all employees through FBL's Intranet and Learning Management System. It covers a wide range of ethical themes and clearly outlines FBL's expectations regarding customer and employee interactions. The Code also provides guidance on identifying, handling and raising concerns related to misconduct, including harassment, discrimination, bribery and corruption. Furthermore, it promotes the diversity, equity & inclusion, workplace safety, corporate social responsibility, responsible use of social media etc. Additionally, the Code specifies FBL's Speak Up channels, offering employees a confidential platform to report misconducts and wrongdoings without any fear while ensuring strict confidentiality throughout the process.

Ownership Structure



Product and Services

Consumer Finance

Unsecured Business

A comprehensive range of Islamic consumer banking products tailored to meet the distinct needs of diverse customer segments keeping customer centric approach in view.

Faysal Islami Cards

Noor Card

The Faysal Islami Noor Card is Pakistan's first Shariah-compliant card, structured on the principles of Tawarruq. It offers widespread acceptance at over 15,000 local merchants and more than 24 million locations worldwide across 210 countries. Equipped with advanced Chip and Contactless technology, the card ensures secure, fast, and convenient transactions.

The Noor Card also features an exclusive Reward Redemption program, allowing cardholders to access rewards instantly. With its enhanced features and broad acceptance, the card delivers superior purchasing power and a seamless payment experience.

To cater to varying income segments, we have a diverse line of card products:

- **Velocity & Blaze:** Entry-level cards designed to encourage customer engagement and serve as effective cash alternatives.
- **Titanium, Platinum & World:** Fully equipped with premium benefits, targeting the affluent segment, these cards offer exclusive services and discounts for travel, shopping, and dining experiences.

The Faysal Islami Noor Card provides added financial flexibility through 0% installment plans, Banker's Cheques, and Balance Transfers, all accessible via a 24/7 Call Centre.

Noor Flexi Card

The only Tawarruq based card in the industry which allows 100% cash withdrawal of limit without transaction based and upfront charges. This card also offers same kind of discounts and benefits like Noor Card.

Debit Card

Faysal Bank's range of Islamic debit cards is designed to serve multiple customer segments, thoughtfully crafted with features and discounts, each variant offers a rich set of benefits. These cards empower account holders by providing convenient and secure access to their funds.

A new variant, **PayPak Mastercard Co Badged card** has been added to debit card suite. The card features domestic as well as international payment scheme, focusing on

promoting domestic payments scheme without compromising on acceptance. Faysal Bank takes pride in introducing this first ever Co Badged product in Pakistan. To show commitment to our responsibility towards environment, the card is made with recycled plastic. Faysal Bank also introduced a **USD Debit Card**, specifically designed for individual customers allowing them to access their funds 24/7 to keep their evolving needs in mind.

Faysal Islami Personal Finance

Launched in January 2022, Faysal Islami Personal Finance is a Shariah-compliant solution based on the Tawarruq structure. This limit-based facility offers eligible individuals a convenient and affordable financing option to meet personal needs such as education, weddings, and medical expenses.

Faysal Takmeel Financing

Faysal Takmeel is a Riba-free, Shariah-compliant financing solution based on the Musawamah structure, designed to facilitate the purchase of durable goods such as home appliances, generators, air conditioners, LED monitors, Mobile phones laptops, Motorbikes, Electric bikes and more.

Secured Business

Wide range of Secured Financing products are available to cater various market segments and their distinct needs.

Home Finance - We help you unlock your dreams

Faysal Islamic Home Finance is based on the principles of Diminishing Musharakah. This is a medium and long term financing product, where the Bank and the customer jointly purchase an asset and create joint ownership in the asset. The Bank rent out its share in the asset to the customer while the customer periodically purchases units of ownership in the asset from the Bank. After purchase of all the units the customer becomes the sole owner of the asset.

- Home Buyer
- Home Builder/ Plot + Construction
- Home Renovation
- Home Re-finance

Mera Ghar Mera Ashiana - Government Profit Subsidy Scheme

In alignment with the Government of Pakistan's vision to promote affordable housing, Faysal Bank offers Mera Ghar-Mera Ashiana – a Subsidized Housing Finance Scheme designed to facilitate homeownership through Shariah compliant financing.

This scheme enables customers to access financing for the purchase or construction of residential property on flexible and affordable terms. The facility is structured for low and middle income segment, under the Islamic mode of Diminishing Musharakah, offering an Riba free housing need solution.

Through Mera Ghar–Mera Ashiana, Faysal Bank reaffirms its commitment to helping their customer achieve their dream of owning a home with convenience, affordability, and Shariah compliance.

Car Finance - Drive your Dream Car Today!

Faysal Islamic Car Finance is based on the principles of Diminishing Musharakah. This is a medium and long term financing product, where the Bank and the customer jointly purchase an asset and create joint ownership in the asset. The Bank rent out its share in the asset to the customer while the customer periodically purchases units of ownership in the asset from the Bank. After purchase of all the units, the customer becomes the sole owner of the asset.

- Residual Value Financing
- 1 & 2 Year rent only plan

Secured Islamic Personal Finance - Let your Car take care of your Personal Financing needs!!

It is a limit-based financing with collateral (i.e. car) that facilitates customers by providing a comprehensive, affordable and hassle-free financing option. 100% Shariah Compliant & Riba Free Solution - Facility based on the Islamic concept of "Tawarruq", to address customer's immediate needs

It is extended to customers for multiple purposes such as;

- Education
- Medical
- Marriage

Priority Banking

As a Faysal Priority Customer, we are committed to delivering an enhanced banking experience while supporting our customers in achieving their financial objectives. The Faysal Priority Banking proposition is designed to provide differentiated service, convenience, and access to exclusive facilities.

Priority Banking Experience

Unlimited access to Faysal Priority Lounges and dedicated facilities across the country, offering a premium environment that combines personalized service with efficient transactional support to meet customers' financial needs.



Priority Care Services

- A dedicated Priority Relationship Manager
- Quick processing of account opening and service requests
- Dedicated 24/7 Priority Helpline – 021 111-11-71-71
- Priority Services at branches with Priority Debit Cards - no waiting in queues



Exclusive Benefits:

- **Free Tax Filing & Advisory Services:**
Faysal Priority clients receive professional support for accurate and timely tax filing, payment assistance, two personalized consultation sessions per tax year, and a 15% discount on selected tax services.

Because YOU are our Priority

Your taxes, Made Simple with Faysal Priority

As valued Faysal Priority client, you can now enjoy comprehensive Faysal's tax support services, designed to ease your financial journey.

- Tax return filing & payment assistance
- 2 personalized consultation session per tax year
- 15% discount on selected tax services

Contact with us today and make tax filing stress free!

www.faysalbank.com/priority | 111-112-1177

E Bafilr

- **Hospitalization Benefits with Exclusive Maternity Coverage:**
Faysal Priority offers industry-first hospitalization limits to its Priority customers, and female Priority customers enjoy additional protection with coverage for maternity related hospitalization, ensuring peace of mind for both medical and financial needs.

Because YOU are our Priority

Maternity: Our deepest We Care for Your Health!

Faysal Priority now offers industry-leading hospitalization limits to its valued clients, with exclusive **maternity coverage** available separately for our esteemed female customers!

Plan	Maternity Coverage	Other Benefits
Basic	PKR 3 million for normal delivery & PKR 2 million for C-section	Personalized tax support, 15% discount on selected tax services, 2 personalized consultation sessions per tax year
Gold	PKR 5 million for normal delivery & PKR 4 million for C-section	Personalized tax support, 15% discount on selected tax services, 2 personalized consultation sessions per tax year

www.faysalbank.com/priority | 111-112-1177

- **Complimentary Priority Membership for Immediate Family Members:**
Priority Banking privileges aren't limited to the account holder. Immediate family members (parents, spouse, and up to 3 children) can also enjoy the benefits of Priority Membership and access to exclusive services and privileges.

Because YOU are our Priority

Your loved ones are important to us!

As an exclusive Faysal Priority Customer, your parents, spouse and children are entitled to complimentary priority banking membership, giving them access to premium benefits and personalized services.

To avail this offer, please call our helpline to connect with your branch representative today.

www.faysalbank.com/priority | 111-112-1177

Transactional Privileges

Host of free services, such as Unlimited Free Cheque Books, Free SMS Alerts, Free Demand Drafts and Pay Orders, Free Intercity Cheque Clearing, Inter Bank Funds Transfer (IBFT), 50% waiver on Annual Locker Rental, and many more.

Faysal Priority Platinum Debit Card

As a Faysal Priority customer, you are entitled to a complimentary Faysal Priority Islamic Platinum Debit Card that comes equipped with a suite of features and benefits designed to match your exclusive lifestyle. Enjoy discounts at more than 300 retail outlets across Pakistan.

Faysal Islami Priority World Debit Card

Faysal Islami Priority World Debit Card, exclusively for our HNW Priority Banking customers, which carries a lot of prestige with unlimited embedded benefits and is designed to meet the lifestyle needs of our Priority customers.

Customers can enjoy exclusive benefits with their Faysal Islami Priority World Debit Card, which include:

- Accessibility in more than 200 countries worldwide.
- Enhanced Transactional Limits
- Access to complimentary Airport Lounges
- Discounts up to 50% on Dining, Health, Fitness & Lifestyle
- Free International Travel Insurance



Travel with Comfort

Exclusive access to over 135+ airport lounges internationally using MasterCard Airport Pass App.

Valet Services

Free Valet Parking facility at our Priority Lounges for Priority Banking customers.



Wealth Management

Faysal Bank offers its customers an extensive menu of Wealth Management solutions tailored to suit their needs. Faysal Bank partners with the best Takaful/Window Takaful Operations providers from Pakistan for its Third-Party products to offer its customers, one of the most robust propositions in the industry, we are ideally positioned to meet all your financial needs based on their individual risk appetite and expectations.

BancaTakaful Solutions

During the course of your financial life, you face an inherent uncertainty and risk associated with your health and well-being. To ensure your continued peace of mind we offer you a wide array of Shariah compliant saving and protection products to help achieve your financial goals in life.

Saving and Protection Plans

Our Saving and Protection plans have been developed under distribution agreements with some of the leading life Takaful providers in Pakistan. Our suite of BancaTakaful solutions is tailored to allow you to save on a regular basis and plan towards achieving your life's goals. These plans provide you a high level of Life Takaful coverage in order to safeguard the future of your loved ones while at the same time directing your savings towards professionally managed funds which offer you positive returns against your investments. All products have the flexibility to be customized to cater to customer's specific needs. Whatever their requirements, we have the right solution for them!



Health Takaful

Our health is our greatest asset and with the increasing cost of health care, it is essential to plan ahead to ensure the best possible health care for ourselves and our loved ones. Faysal Bank offers you a diverse selection of Health Takaful solutions developed in association with

the leading Health Takaful companies in Pakistan. Our products are designed to provide you comprehensive health coverage at leading network hospitals across the country to give our customers the peace of mind that they truly deserve. Furthermore, we have introduced the Industry's First Dental Plan for our customers to address their dental treatment needs



• Life Takaful

In order to provide financial security and a stress-free lifestyle to our customers, Faysal Bank has introduced, Shariah Compliant Takaful plans under the distribution agreement with selected Takaful operators. By simply paying a very nominal amount, you can now avail a significant Takaful coverage on an annual basis to safeguard the needs of your loved ones. These Takaful policies provide you full life coverage in the event of accidental or natural death. The enrollment process is simple and does not require any medical check-ups. All that the customers need to do is call our helpline.

• General Takaful

Faysal Bank's product menu offers you a multitude of general Takaful products under the distribution agreement with selected Takaful partners to cater to all your personal and business needs. Whether you need to travel, protect your business structure, or ensure safety of your wallet contents, we have the right solution for our customers.



Digital Health Solution

Oladoc - Aapki Sehat ka Sathi provides a digital platform for medical consultation, scheduling appointment with doctors, lab test booking, medicine delivery and many more healthcare facilities on just a touch of few clicks. It gives you free/paid Online Consultation Session option with over 25,000+ Doctors across all the categories, for you and your Family members.



Investment Products

In order to support you towards better managing your financial portfolio and to further grow your wealth, we offer you a full menu of Shariah compliant mutual funds through our distribution partner Faysal Funds (a subsidiary of Faysal Bank Ltd.). Based on your individual risk appetite and investment goals, you can select the right investment solution to enter your market of choice and make healthy returns! In addition to investment benefits, these mutual fund placements also entitle you to tax benefits in line with prevalent tax laws. With multiple open-ended and closed-ended funds and varying investment strategies, you can easily find one best suited to your financial needs!





Corporate Banking

Faysal Bank's Corporate & Investment Banking Group (CIBG) is fully geared to meet the challenges of the dynamic economic environment in Pakistan. Our aim is to fuel growth and progress by filling in the role of financial advisors and financiers by providing a range of diverse financial services (including tailor made solutions) to corporate clients by partnering with them and build long term sustainable relationships.

Our in-house expertise of product specialists is well versed in providing financing solutions to meet our customer's credit, trade, foreign exchange, investment banking and various other business requirements in a hassle free, effective and efficient manner across a diverse range of industries.

Financing options include working capital loans, term loans, trade based finance services (letters of credit, foreign & local currency trade bill discounting, guarantees, import & export loans and Export Refinance and Long Term Finance), financing under SBP schemes and furthermore, depository options are also offered under various schemes.

It also includes arrangement of cross border trade confirmations and trade related commercial & country risk syndications. Our onshore specialized trade services include supply chain solutions for our corporate customer base, including vendor/ supplier & distributor focused structured trade financing solutions.

Our Corporate Banking relationship teams also liaison with Treasury, Cash Management, Trade, Investment Banking and Consumer Banking departments to develop and deliver offerings that are used across diverse businesses.

Investment Banking

FBL offers full suite of Investment Banking services ranging from equity & advisory, syndications and debt capital markets to Project and structured finance. FBL's Investment Banking works in close coordination with Corporate and Retail Banking to facilitate their clients with its services.

- **Project & Structured Finance (PSF):**

Project & Structured Finance team provides advisory and debt arrangement services for structuring and financing of long-term greenfield and brownfield projects on non-recourse or limited recourse basis. The PSF team offers advisory, structuring, execution and monitoring services for projects of national and strategic significance across various sectors of economy.

- **Syndications & Debt Capital Markets (DCM):**

The Syndications & Debt Capital Markets team offers a variety of highly customized products to a diverse set of customers as per their needs. These requirements may include medium to long-term financing for capital expenditure, capacity expansion and mergers & acquisitions.

FBL's DCM team also enables credit risk distribution with other financial institutions through syndicated financing arrangements along with speedy access to local and offshore debt capital markets.

- **Equity & Advisory (E&A):**

Our E&A desk provides sell-side and buy-side advisory on merger & acquisition (M&A) transactions, facilitates in business valuations & price discovery along with providing access to equity capital markets. This includes underwriting services for initial public offerings (IPOs), right shares etc. Moreover, FBL has also acted in its capacity as the Bankers to the Issue (BTI) for various transactions.

Cash Management

Smart Payments & Collections Solutions

Range of Transaction Banking solutions is a comprehensive suite designed to help Corporates/Retail & CBSME Banking to streamline payments, collections, and cash flows through secure, efficient, and digitally enabled cash management capabilities, ensuring end-to-end control, straight-through processing, and regulatory compliance.

Collections Solutions:

Digitize, automate, and gain full control over your receivables, hence, following is the comprehensive suite of collection products:

1. **Faysal Transact OTC Collections:**

Over-the-counter collections facilitated through Faysal Bank branches for seamless customer payments.

2. **Cash / Cheque Pick-up & Delivery (CIT):**

Secure and convenient physical cash and cheque collection services from client premises.

3. **Right Issue / IPO / Bonus Shares Tax Collections:**
Specialized collection services for capital market-related subscriptions and statutory tax payments.
4. **E-IPO Processing:**
Digital IPO subscription processing through integrated electronic channels.
5. **E-Collections:**
Electronic collection solutions integrated with client systems for automated reconciliation.
 - **Standing Instruction via Debit Authority (SIDA – Upgraded):**
Enables clients to independently initiate, manage, and monitor automated debit collections directly through digital channels, enhancing efficiency and reducing operational dependency.
 - **ID-Based Collections:**
Collection mechanism based on unique customer identification, ensuring accurate posting and traceability.

Payment Services:

1. **Corporate Cheques & Payment Orders (PO):**
Traditional and secure instruments for corporate disbursements.
2. **Internal Transfers:**
Instant fund transfers within Faysal Bank accounts.
3. **Inter Bank Funds Transfer (IBFT):**
Real-time interbank fund transfers across the banking network.
4. **RAAST:**
Instant, low-cost digital payments via SBP's instant payment system.
5. **Real Time Gross Settlement (RTGS):**
High-value, time-critical payments processed through SBP-managed RTGS.
6. **Utility Bill Payment (UBPS):**
Centralized payment of utility bills through integrated platforms.
7. **Cash Payout (COC):**
Controlled cash disbursement services for corporates.
8. **E -Dividend Payouts:**
Efficient and compliant dividend distribution to shareholders.

9. **Payroll Proposition:**
End-to-end salary disbursement solutions with automated processing and reporting.

Home Remittance

Faysal Bank Limited (FBL), one of Pakistan's largest Islamic banks and the only Islamic bank ranked among the top five in the remittance business, offers state-of-the-art solutions for managing home remittances. Designed to meet the diverse needs of cross-border customers, FBL ensures secure, reliable, and seamless money transfers through its global network of long-term partners. Customers benefit from the convenience of instant and same-day fund transfer facilities via multiple secure payment modes:

- **Cash-over-Counter payments** for walk-in customers at Faysal Bank branches
- **Partial Payment Option – Cash-over-Counter (COC) -**
FBL customers receiving Cash over Counter remittances can either take partial cash or directly credit the full amount into their FBL account.
- **Instant Account Credit** to Faysal Bank account holders
- **Instant Account Credit** to 1Link member bank accounts via IBFT, including wallet payouts
- **Same-Day Account Credit** to other bank accounts through PRISM / RTGS

Strategic Initiatives:

Faysal Bank is one the leading innovative Banks in the country, with a strong commitment towards digitization of customer experiences. The Bank's focus has been on creating a continuous innovation cycle especially in the payments landscape through digital solutions, products and platforms with the aim of asserting its position as the #MostInnovativeIslamicBank.

Retail Banking

Faysal Bank provides customers with a wide range of Islamic Deposit Products for their daily banking requirements that comply with Shariah Principles. Our products are designed with a clear focus on meeting customer needs and requirements across both personal and business banking. From simple day-to-day accounts to high value investments, you can choose the product that suits your needs the best to get attractive halal returns. Retail Liability Products also provide you maximum flexibility, transactional convenience, and easy access to your funds through our Nationwide Online Faysal Islami branches, ATM network, Debit/Virtual Cards and through Faysal Digibank.

Islamic Current Deposit Accounts

Our value-added Islami current account products enable you to derive benefits from your deposits. Current Account products are a suitable solution for individuals as well as business entities looking for a checking account based on Islamic Financing Principles. Islami Current Accounts are based upon Qard, (Loan on demand) and Remunerative Mudarabah principles which make products free of Riba (interest), and the principle is guaranteed to the depositor.

Islamic Savings Accounts

Our Islamic Savings accounts are opened on the basis of 'Mudarabah', where Faysal Islamic Banking is the 'Mudarib' (manager of the funds) and you, the customers are the 'Rabb-ul-Maal' (owner of funds). These deposits are deployed in Shariah compliant modes such as Ijarah, Murabaha and Musharakah, etc. The rate of profit on your deposit will be determined through Shariah approved mechanism for calculation of weightages which will be announced at the beginning of each calendar month and shall be applicable for that month only. Faysal Islamic Saving deposits will share in the profit earned by the Islamic Banking Branches of Faysal Bank. Losses, if any, will be shared in the proportion of investment by each depositor. Monthly weightages for profit distribution shall be calculated and displayed at all Faysal Islamic Banking branches as well as our website.

Term Deposit Products

Faysal Islami Investment Certificates offer you convenient financial solutions under the arrangement of 'Mudarabah', where Faysal Banking is the 'Mudarib' (manager of the funds) and you, the customers, are the 'Rabb-ul-Maal' (owner of the funds). These deposits are deployed in Shariah-compliant modes such as Ijarah, Murabaha, and Musharakah. The rate of profit on your deposit will be determined through a Shariah approved mechanism for calculation of weightages which will be announced at the beginning of each calendar month and shall be applicable for that month only. Faysal Islami Investment Certificates will share in the profit earned through financing in different Islamic modes of financing. Losses, if any, will be shared in the proportion of investment by each depositor. Monthly weightages for profit distribution shall be

calculated and displayed at all Faysal Islamic Banking branches as well as our website.

Faysal Islami provides an extensive range of Current, Saving, and Term Deposit products tailored to meet the diverse transactional and investment needs of our customers. The following section outlines the details of our Islamic Banking products, designed to cater to various customer segments.

Current Account Product Suite

Bakamaal Karobar Account

Bakamaal Karobar account is a Shariah-compliant, Qard based business account designed to cater to the diverse needs of businesses across Pakistan from small merchants to large enterprises. The account offers tailored solutions for merchant segments, supported by comprehensive payment collection options including QR payments, POS machines, IPG, and Faysal Transact. Customers enjoy essential free banking services along with Pakistan's first Shariah-compliant Business Debit Card. This account also enables merchants to expand digitally through seamless onboarding to Faysal DigiMall.

Hamara Pakistan Remittance Account

Hamara Pakistan Remittance Account is a Mudarabah based, innovative banking solution designed to simplify and formalize the remittance experience for individuals receiving home remittances through cash over the counter. This pioneering initiative enables customers to instantly open a bank account at the teller counter while collecting their remittance, redefining the traditional remittance-to-banking journey.

With a fully digital, paperless, and seamless onboarding process, the account promotes financial inclusion while offering attractive benefits such as welcome bonus, cashback on remittances, and complimentary health card with hospitalization coverage reinforcing the Bank's commitment to customer-centric innovation and accessible Islamic banking solutions.

Rehmat Individual Account

Faysal Islamic Rehmat account opened on the basis of Mudarabah embraces the Islamic value of compassion (Rahma). Upon maintaining a Rehmat Individual Account, Faysal Bank pays for the treatment of underprivileged patients without any deductions from the customer's account. Moreover, customers can enjoy a host of unmatched free services and transactional benefits for all Individual needs.

Rehmat Business Account

The Rehmat Business Account is a Shariah-compliant solution designed to streamline business operations by offering tiered transactional benefits and a unique social impact feature where the bank funds medical treatments for

the underprivileged based on the customer's relationship. The account provides a wide range of complimentary services that scale with the maintained balance, starting from Basic Waivers for essential needs like cheque books and online banking, moving to the Plus Tier which adds gold debit cards and comprehensive Takaful coverage, and culminating in the Premium Tier for high-balance holders which offers exclusive perks such as platinum cards, cash collection services, free lockers, and waived fees for trade-related instruments like Letters of Credit and Guarantees.

Asaan Current Account

Asaan Current Account is designed for unbanked and underbanked segment or the low-income group. Asaan Account can be opened with a single CNIC. There is no minimum balance requirement in Asaan accounts. Faysal Islamic Asaan Account is an easy solution for individuals who are looking for banking needs in a secured manner. Moreover, it is opened on the basis of Qard (loan).

Amal Women -Current Remunerative Account

Faysal Bank is committed to empowering women through financial independence. The Amal –Current Remunerative Account offers a range of exclusive benefits, including unlimited transactions, customized debit cards, and discounts on various products and services. Product offers free banking features like cheque books, pay orders, SMS alerts, and access to dedicated female branches. Additionally, it offers women financing facilities and Takaful coverages, designed to empower them and support their financial journey.

Mahir I.T Exporter & Freelancer Current Account

Faysal Islamic Mahir I.T. Exporter & Freelancer Account is a Shariah-compliant, tailor-made banking solution designed to meet the specific needs of freelancers and IT exporters engaged in digital and online services, including IT and IT-related companies operating in Pakistan, while enabling them to earn foreign currency from anywhere in the world. The account comprises a Qard-based PKR Current Account (Primary Account) along with a linked Foreign Currency (FCY) Non-Checking Retention Account, allowing up to 50% retention of foreign currency earnings. Additionally, the account offers both USD and PKR debit cards, ensuring a seamless and efficient banking experience for freelancers and IT exporters.

Tez Tareen Asaan Remittance Account

Faysal Islamic Tez Tareen Asaan Remittance Account is a remunerative current account based on the principle of Mudarabah, specifically designed to receive remittances from abroad directly. Customers can withdraw/ transfer funds, pay bills, check account balance using ATM, branch counter, Internet and Faysal Digibank Mobile App.

Basic Banking Account

Basic Banking Account is a Shariah-Compliant current account that provides customers the comfort of banking in a secure and customer friendly environment. Opened on the basis of Qard. No minimum balance maintenance charges are required and has 2 free deposits and 2 free withdrawals per month through cash/clearing.

Barkat Current Account

A transactional account that provides the ease of conducting unlimited transactions with frequent access to funds based on Islamic Financing principles. This account is based upon Qard (Loan on demand) which makes it free of interest and the principle is guaranteed to the depositor.

Free Banking Services

Faysal Bank offers comprehensive free banking services on all Current Accounts to enhance customer convenience and accessibility. These services include free cheque book issuance, pay orders, and online branch banking. Free PayPak Debit Card issuance and free SMS alert services are also available for the first year. The offering is applicable to new Current Accounts opened from 14 July 2025 onwards and is structured in accordance with Qard and Mudarabah Shariah principles.



Saving Account Product Suite

Savings Account

An account that provides greater returns on your investments and is a suitable solution for individuals as well as business entities that are looking for competitive returns on their savings based on Islamic Financing principles. Opened on the basis of 'Mudarabah'.

Muntazim Savings Account

A saving account opened on the basis of Mudarabah that provides the comfort of saving, managing their day-to-day banking transaction needs with ease. in accordance with Islamic principles, enjoying Halal returns and managing day to day banking transaction needs with ease.

Asaan Saving Account

Asaan Saving account is designed for unbanked and underbanked segment or the low-income group. Asaan

account can be opened with just a CNIC. There is no minimum balance requirement in Asaan accounts. Faysal Islamic Asaan Account is an easy solution for individuals looking for banking needs in a secure manner along with halal returns.

Amal Women Saving Account

Faysal Islami Amal Women Saving Account is a Shariah Compliant saving account that provides women financial independence by offering Transactional Convenience, Health Benefits, Financing Facilities, Payment Solutions along with halal profits all under one roof.

Life Plus Savings Account

Faysal Islamic Life Plus Savings Account is a Shariah Compliant offering designed to cater to the financial needs of senior citizens for the maximization of their hard-earned savings. This account also provides unique health and hospitalization benefits through its Health Card feature.

Mubarak Safar Saving Account

Faysal Islami Mubarak Safar Saving Account is an ideal saving solution if one is planning to travel for Hajj or Umrah. Mubarak Safar Saving Account is a Shariah-compliant Mudarabah based saving account which helps in saving as per convenience and earn attractive halal profit on deposit.

Bakamaal Karobar Saving Account

Bakamaal Karobar Saving account is a Shariah-compliant, Mudarabah based business saving account designed to cater to the diverse needs of businesses across Pakistan from small merchants to large enterprises. The account offers tailored solutions for merchant segments, supported by comprehensive payment collection options including QR payments, POS machines, IPG, and Faysal Transact. This account also enables merchants to expand digitally through seamless onboarding to Faysal DigiMall.

Hamara Pakistan Remittance Saving Account

Hamara Pakistan Remittance Saving Account is a Mudarabah-based Islamic banking solution that allows customers to instantly open a paperless account at the branch teller counter using only their CNIC and a remittance receipt. This innovative service streamlines the remittance experience by offering an immediate PKR 500 welcome bonus, up to 2% seasonal cashback on transactions, and complimentary health insurance providing PKR 10,000 in daily hospitalization coverage for accounts maintaining a balance of PKR 30,000.

Term Deposit Product Suite

Barkat Investment Certificates

Faysal Islamic Barkat Investment Certificates provide customers with flexible financial solutions based on the

'Mudarabah' arrangement, with Faysal Bank acting as the 'Mudarib'. These certificates are available in a range of tenures from 1 month to 5 years, offering attractive returns. Customers also benefit from the option of premature withdrawal without any penalty charges, ensuring convenience and financial flexibility.

Life Plus Investment Certificates

Based on the principles of 'Mudarabah,' Life Plus Investment Certificates offer a Shariah-compliant investment opportunity, specifically designed for senior citizens to maximize their hard-earned savings. These certificates feature a 1-year tenure with the option to receive profits either monthly or at maturity, providing both flexibility and attractive returns for long-term financial security.

Trade

Faysal Trade Products

Faysal Bank provides all types of funded & non funded trade finance facilities to its clients. This includes opening of all types of L/Cs, advising, confirmation, documentary collection, and issuance of bank guarantees. Faysal Trade Products provide a wide range of standard as well as tailor-made products and solutions to trade customers from all walks of life. It includes:

- Import Letter of Credit
- Import Documentary Collection
- Import Advance Payment
- Import Open Account
- Import Financing
- Export L/C Advising & Confirmation Services
- Export Bills for Collection
- Export Advance Payments
- Export Bills Negotiation
- Currency Salam
(alternate for Export Bill Discounting)
- SBP Refinancing Schemes for
Short Term/Long Term Financing
- Bid Bond Guarantee
- Performance Bond Guarantee
- Advance Payment Guarantee
- Financial Guarantee

Faysal Barkat offers following Trade services

Faysal Barkat offers a wide range of import and export services to effectively manage customers' local and global supply chain needs and provides them a competitive edge. These facilities extend for both raw materials to fixed assets. Services that are offered include:

Export L/C Advising

Faysal Barkat offer Export Letter of Credit Advising to existing and non-customer enabling exporters for onward negotiation of their export documents. Enjoy greater security and convenience with Faysal Letter of Credit Advising. We authenticate your inbound Letter of Credit, providing you with assurances that it comes from a genuine source. We also offer greater convenience by notifying you upon its arrival.

Bill for Collection under Export

Faysal Barkat offer services for handling export bills on collection basis to our client & facilitate the flow of payment with our Outward Bill Collection. We act as a professional agent to collect payments from the buyer's bank on customer's behalf.

Currency Salam (alternate for Export Bill Discounting)

Faysal Barkat offer Currency Salam for the exporters to improve their cash flow which allows the exporters immediate credit to their accounts while waiting for payment from the issuing bank. Our experts check export documents and if the documents are in order, customers can convert receivables into cash quickly and easily.

Waad (alternate of Forward Booking)

Faysal Barkat offers purchase of foreign currencies against trade transactions upon getting an offer and acceptance from client. Our expert team facilitates the exporters with expert advice to hedge their foreign exchange risk while foreseeing the foreign exchange volatility.

SBP REFINANCING SCHEMES FOR SHORT TERM / LONG TERM FINANCING

SHORT TERM WORKING CAPITAL FINANCING FACILITIES

Export Pre-Shipment and Post-Shipment financing on Islamic modes of financing (IERS/EXIM Part I & II)

Offers refinance facilities to Customers with an aim to support industrial growth and exports with the ultimate objective of promoting overall economic development of the country. SBP introduced special schemes under its refinance window to ensure adequate supply of financing at subsidized rates.

Financing is available to direct exporters including manufacturers, trading companies, new exporters and indirect exporters. Financing can be availed at pre-shipment and/or post-shipment stage against firm export contract / LCs.

Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises

The Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises (IWCF) has been offered to Small and Low-end Medium Enterprises to cater to the working capital requirements of exporters.

LONG TERM PROJECT FINANCING UNDER ISLAMIC MODE OF FINANCING

Islamic Long Term finance facility (ILTFF)

Faysal Barkat offers Long Term project finance facility namely Islamic Long Term Financing Facility (ILTFF) for Imported and Locally Manufactured New Plant & Machinery to promote export led industrial growth in the country.

SBP Re-Financing Facility for Storage of Agricultural produce

Financing is available for local purchase /import of new plant & machinery/new generators used in Silos, Warehouses & Cold Storages facilities for storing Agricultural produce.

Bank Guarantee

A bank guarantee issued at the request of a customer may be defined as an obligation of the issuing bank to pay a sum of money in the event of non-performance or non-fulfillment of stated obligation by its customer. The guarantee is a separate obligation independent of the principal or the contractual relationship between the creditor and the principal debtor. Bank Guarantees are generally payable on first demand from the beneficiary made within the validity of the guarantee.

FBL offers the facility of issuance of guarantees to its customers generally in the following forms:

1. Bid Bonds (GBB)

A Bid Bond substantiates the financial standing of a person submitting a bid. It is issued in connection with submission of a tender for supply of goods or services and its normal characteristic is an undertaking to pay to the beneficiary a fixed amount, generally a small percentage of the total value of the Order, within a stated period on his simple written demand if the applicant withdraws his obligations after acceptance of his bid.

2. Performance Guarantee (PBG)

In a performance guarantee the Bank undertakes on behalf of a customer to pay a fixed amount, generally a higher percentage than the Bid Bond, in case the customer fails to discharge his obligations under a particular Order or contract. Upon issuance of Performance Guarantee the Bid Bond issued earlier for the same contract is returned and cancelled.

3. Advance Payment Guarantee (GAP)

Contracts, particularly those awarded by government departments, agencies and autonomous bodies such as Water and Power Development Authority (WAPDA), K-Electric (KE) etc., sometimes provide for an advance payment to be made to contractors for purposes such as mobilizing manpower, material, and equipment and infra-structure facilities on site. In order to obtain this payment, the contractor is required to produce an advance payment bank guarantee. This advance payment is generally deducted proportionately from proceeds paid to the applicant for work done during the contract period.

4. Shipping Guarantees (SGS & SGU)

A shipping guarantee is required by a customer (importer) when the ship carrying the consignment reaches the port of destination and discharges the goods before the Bills of Lading & other shipping documents are received at importer's bank.

5. Financial Guarantee – Others (BGO)

Bank guarantees whose main characteristic is that it is an undertaking by the issuing bank to meet any claim from the beneficiary up to a fixed sum on simple demand stating that the named customer, on whose behalf the Guarantee is issued, has defaulted in timely payment or discharge of his specified liabilities. Other financial guarantees may be issued for the release of Retention money to the contractor before completion of a contract.

6. Financial Guarantee - Financial Institutions Outside Pakistan (FGT)

A Guarantee to Financial Institutions outside Pakistan in the shape of a Bid Bond or Performance Bond issued by the Bank on behalf of customers dealing in exports, an Engineering or consultancy firm etc. to make good a loss incurred by the beneficiary abroad as a result of non-fulfillment of the contract obligations by the applicant within the specified period.

7. Financial Guarantee - Financial Institutions within Pakistan (FGT)

A guarantee issued in favor of a financial institution within Pakistan to make good on first simple demand a default of the customer due to non-repayment of the finance extended by the financial institution within the specified period as incorporated in their mutual agreement up to a fixed sum.

for in the letter of credit are presented strictly in compliance with the terms and conditions of the Letter of Credit.

Letters of Credit activities are presently governed by International Chamber of Commerce Uniform Customs and Practices for Documentary Credits Publication No. 600 (2007 revision).

2) Documentary Collection

Documentary collection is a form of trade finance in which an exporter is paid for its goods by an importer after the two parties' banks exchange the required documents. The exporter's bank collects funds from the importer's bank in exchange for documents releasing title to the shipped merchandise, usually after the goods arrive at the importer's location

3) Import Advance Payment

Advance payment is a payment method in which the price of goods is collected in advance prior to the shipment of the goods which are subject to import and the exporter ships the goods, the payment of which is already made, to the importer later on.

4) Open Account

An open account is an arrangement between a business and a customer, where the customer can buy goods and services on a deferred payment basis. The customer then pays the business at a later date.

5) Import Financing

Import financing is a specialized Trade Finance Solution used to finance the purchase of goods which are being exported from one country for the purpose of being imported into another country.

Faysal Bank's Treasury Department embodies a client-centric ethos, deeply rooted in Shariah principles, and leverages its profound market acumen and comprehensive understanding of Islamic financial instruments to craft bespoke balance sheet solutions. Treasury offers an extensive array of Shariah-compliant Fixed Income and Foreign Exchange products, meticulously designed to address the diverse and dynamic financial requirements of its expansive clientele. By harmoniously integrating innovation and Shariah compliance, the Treasury Department ensures its offerings empower clients to achieve their financial objectives within a robust ethical framework.

Furthermore, the Equity Capital Markets desk within the Treasury Department plays a pivotal role in augmenting the capital base by generating risk-adjusted returns through a proprietary equity trading business, operating under a measured risk focus and a Shariah-compliant paradigm. In alignment with its vision of embracing digital

Imports

1) Letter of Credit

A Letter of Credit is an obligation taken by a bank (as the issuing bank) on behalf of a buyer of goods & services (the applicant) to pay a certain sum of money to the seller of such goods & services (beneficiary) if the documents called

transformation and enriching customer experience, Faysal Bank proudly presents Faysal – Self Invest, a cutting-edge Shariah-compliant online trading platform designed exclusively for Faysal Digibank customers. This platform enables customers to independently manage their IPS investments while adhering to Islamic banking principles.

Such innovations, alongside the robust management of a proprietary equity portfolio, underscore the unwavering dedication to delivering innovative, Shariah-compliant financial solutions. Treasury continues to foster trust, excellence, and ethical values in Islamic digital banking, catering to the evolving needs of its customers.

Commercial & SME

Faysal Bank Limited (FBL) has made substantial progress in Commercial Banking and SME financing over the past five years, driven by a focused agenda within its Commercial Banking and SME (CBSME) department. This growth has been achieved through strategic models such as the **Branch Led Model (BLM)** and the **Hub and Spoke Model**.

The **BLM** model empowers selected branches to actively manage SME/Commercial -related activities (asset booking & trade services). In addition, the Hub and Spoke Model allows for creation of hubs in major commercial markets across the country to handle SME/Commercial Business concentrations. These hubs, which are strategically placed in key areas across the country, are staffed with dedicated Unit Heads and Relationship Managers. Through these strategic initiatives, FBL has enhanced the market presence, facilitated structural penetration, and improved team building, all contributing to a more effective service to the SME sector.

In terms of **SME Product Suite**, FBL continues to focus on innovation and customization for SMEs. The bank is working on introducing new financing products, such as program-based financing, cluster based financing, trade finance solutions, value-chain financing and Digital Financing Solutions.

FBL distinguishes itself by being one of the few banks in the market to create a product program model revolving around **Supply Chain Finance (SCF)**. FBL emphasizes on strengthening the backbone of SME supply side of the value chain.

Moving forward, FBL will focus on executing a robust growth strategy which includes expanding product offerings, deepening its market reach, and ensuring SMEs have access to the right tools for growth and success.

Financing Facilities for Commercial & SME Enterprises

1. Working Capital Solutions

Short-term financing facilities are generally used by the businesses to finance their working capital requirements. These short term finance are intended to finance inventory, account receivable and seasonal business needs.

The short-term finance comprises of the following;

- Murabaha
- Running Musharakah
- Istisna
- Tijarah
- Pledge Financing
- Currency Salam Financing

2. Long Term Financing Solutions

Long Term finance facility (LTF) is offered for financing fixed assets like immovable properties i.e. land and buildings, machinery, vehicles etc.

The long term financing solutions consist of following;

- Diminishing Musharakah-Fleet
- Diminishing Musharakah-Machinery
- Diminishing Musharakah-BMR

3. Trade Ease Solutions

Offering specialized and customized solutions to meet the unique needs of customers. We provide an extensive array of trade finance products designed to cater the demands of importers & exporters (Local & Foreign).

Faysal Bank provides the following trade related services to its valued customer under Shariah Compliant modes of finance:

- Letter of Credit (Foreign/Inland)
- Finance against Imported Merchandise (FIM)
- Finance Against Trust Receipt (FATR)
- Export Finance Facilities
- Pre-shipment (own sources)
- Post shipment (own sources)
- Export Refinance Finance Facility under SBP
- Bank Guarantee

SME Product Suite

I. SBP Subsidized Financing Solution

By offering financial products and services with subsidized pricing or favorable terms, backed by subsidies from government entities; State Bank of Pakistan (SBP) or development agencies, the bank aims to address the challenges faced by SMEs in accessing affordable capital.

Currently, FBL is offering following list of subsidized and credit guarantee financing schemes for SME

- Prime Minister's Youth Business & Agriculture Financing Scheme (PMYB&ALS)
- Islamic Refinance Scheme for Women Entrepreneurs
- Refinance Scheme for Working Capital Financing
- Profit Rate Subsidy and Guarantee Facility for the Rice Husking Mills in Sindh
- Islamic Export Finance Scheme (E-IEFS)
- Islamic Refinance Facility for Modernization of SMEs (IRFMS)
- Profit Rate Subsidy and Guarantee Facility for the Rice Husking Mills in Sindh
- Islamic Export Finance Scheme (E-IEFS)
- Islamic Financing Facility for Storage of Agricultural Produce
- Ware-House Receipt Financing

II. Program-Based Financing Solution

These solutions are designed to address the unique challenges, requirements, and growth of SMEs operating in various industries and sectors.

List of customized financing solution financing programs are mentioned below.

- Trade Finance Solution (Sight LC Initiative)
- Faysal Fleet Financing
- Islamic Share Financing - for Stock Brokerage House
- Faysal Roshni – Solar Financing (subject to availability of SBP limit)
- Islamic export refinance product program

III. Supply Chain financing

Supply Chain financing entails providing a structured finance facility to a SME based on the support of a parent/corporate entity. This facility is usually made available to businesses where stand-alone financing might not be warranted. However, an underlying credit support (a letter of support or an effective stop sale agreement) from a parent company/corporate entity, a structured facility could be granted to SME.

The structured supply chain financing may involve one or

more following arrangements:

- Letter of Comfort / referrals from the parent company/corporate entity
- Support of parent company/corporate entity on routing of cash flows (payments being made to suppliers) through us – assignment of receivables
- Support by the parent company/corporate entity through delisting of defaulted supplier and helping banks in recovery efforts

IV. Digital Financing Solution

Considering the importance of Digital Supply Chain Finance (DSCF) to strengthen SMEs) to strengthen SMEs FBL took the initiative of launching digital solutions for managing the SME Financing & Value Chain Financing. Faysal Bank is going to introduce the **"Faysal Digital Financing Platform"** for the following:

- Digital Supply Chain Financing Solution (Distributor Financing/Vendor Financing)
- Stand Alone SME Digital Financing.

Faysal Bank Limited's digital financing platform is strategically designed to cater target market in coming future:

- The platform will engage clients who are already utilizing Faysal Bank's supply chain financing programs
- NTB's whose data has been provided by the fintech.
- Commercial/Small and Medium Enterprises (SMEs)
- Export Finance via Digital Finance channel enabling indirect exporters and distributors to access working capital against export receivables digitally.
- Islamic Digital Supply Chain Finance & Agri-Digitization Platform offering digital invoice, inventory, and supplier financing to both upstream and downstream partners

In Addition CBSME continues to promote and participate in offering non-financial services to SMEs

CBSME has actively conducted seminars, as well as participated in seminars/ awareness events & conferences conducted by SBP/ SME business associations.

Agri Banking

Faysal Khushaal Kisan

Faysal Bank offers a comprehensive range of Shariah Compliant financing products under its **"Faysal Khushaal Kisan Scheme"** to cater to all types of Farm and Non-Farm

agricultural activities. As a result of its focused approach and sustained financing policies, FBL has established its identity as a market leader among its peers in the area of agricultural financing. All branches of FBL located in agricultural areas of Pakistan are well equipped to provide the best services to local farmers in order to improve the yield and methods of farming, by offering timely and affordable financing for agricultural purposes.

Financing Offers

Crop Production Finance:

- Short-term facility for farm crops.
- Grower finance facility under Value Chain Financing arrangements with Sugar Mills

Modes of Financing:

- Musharakah – Sale & Lease Back (SLB)
- Murabaha
- Salam

Development Finance:

Short-term, Medium-term and Long-term facilities for:

- **Farm Power:** tractors, combine harvesters, threshers, solar energy plants etc.
- **Farm Machinery and Equipment:** ploughs, cultivators, laser levelers, processing machinery, tunnel structures etc.
- **Farm Transport:** pickup, trailers, mini trucks etc.
- **Farm Irrigation:** installation of tube wells and solar pumps, turbines, power lines, transformers, sprinklers, drip irrigation systems, lining or alignment of water channels etc.
- **Land improvement:** land leveling, clearance of jungle and land reclamation etc.
- **Storage of Agri Produce:** godowns, silos and cold storages.
- **Seed Processing Units:** working capital requirements
- **Dairy Farms:** cost of sheds, milking animals, feed, medicine and other working capital requirements.
- **Livestock Farms and Feed Units:** cost of animal sheds, feed, medicine and other working capital requirements.
- **Poultry Farms and Feed Units:** cost of poultry sheds, machinery, equipment, chicks, feed, medicine and other working capital requirements.
- **Fish Farms:** cost of fishponds, tube wells, fish seed, feed and other working capital requirements.

Modes of Financing:

- Murabaha
- Salam

- Musharakah – Sale & Lease Back (SLB)
- Istisna
- Tijarah
- Diminishing Musharakah

Trade Based Financing:

Faysal Bank also offers following Shariah Compliant Trade related Banking facilities to its esteemed customers:

- Letter of Credit
- Bank Guarantees

Farmers Financial Literacy Programs:

Faysal Bank as a part of its Business Strategy, conducts regular awareness sessions / financial literacy programs across the country for farmers in order to provide them essential education, facilitate the seamless account openings etc and ensuring accessibility & convenience.

Financial Inclusion Initiatives:

Faysal Bank is offering an innovative and exclusive deposit product 'Khushaal Kisaan Account' for Farming Community in order to increase financial inclusion. Faysal Islami Khushaal Kisaan Account is a Shariah-compliant tailor-made account to meet the specific needs of farmers, commission agents and traders associated with the agriculture segment. This account intends to cater to the changing transactional needs of small to large-scale producers, processors & traders while offering interest-free Shariah-compliant banking based on the Islamic principle of Mudarabah and Qard. Faysal Islami Khushaal Kisaan Account offers comprehensive solutions with a host of benefits for all your agriculture business and personal banking needs.

SBP Schemes

FBL is providing financing facilities in almost all Regulatory Subsidized/Refinance Schemes including:

- Electronic Warehouse Receipt Financing (EWF)
- Prime Minister's Youth Business & Agriculture Loan Scheme (PMYB&ALS)
- Zarkhez-e (Digital Financing) Scheme for Small Farmers
- Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)
- Islamic Financing Facility for Renewable Energy (IFRE)

Our Network



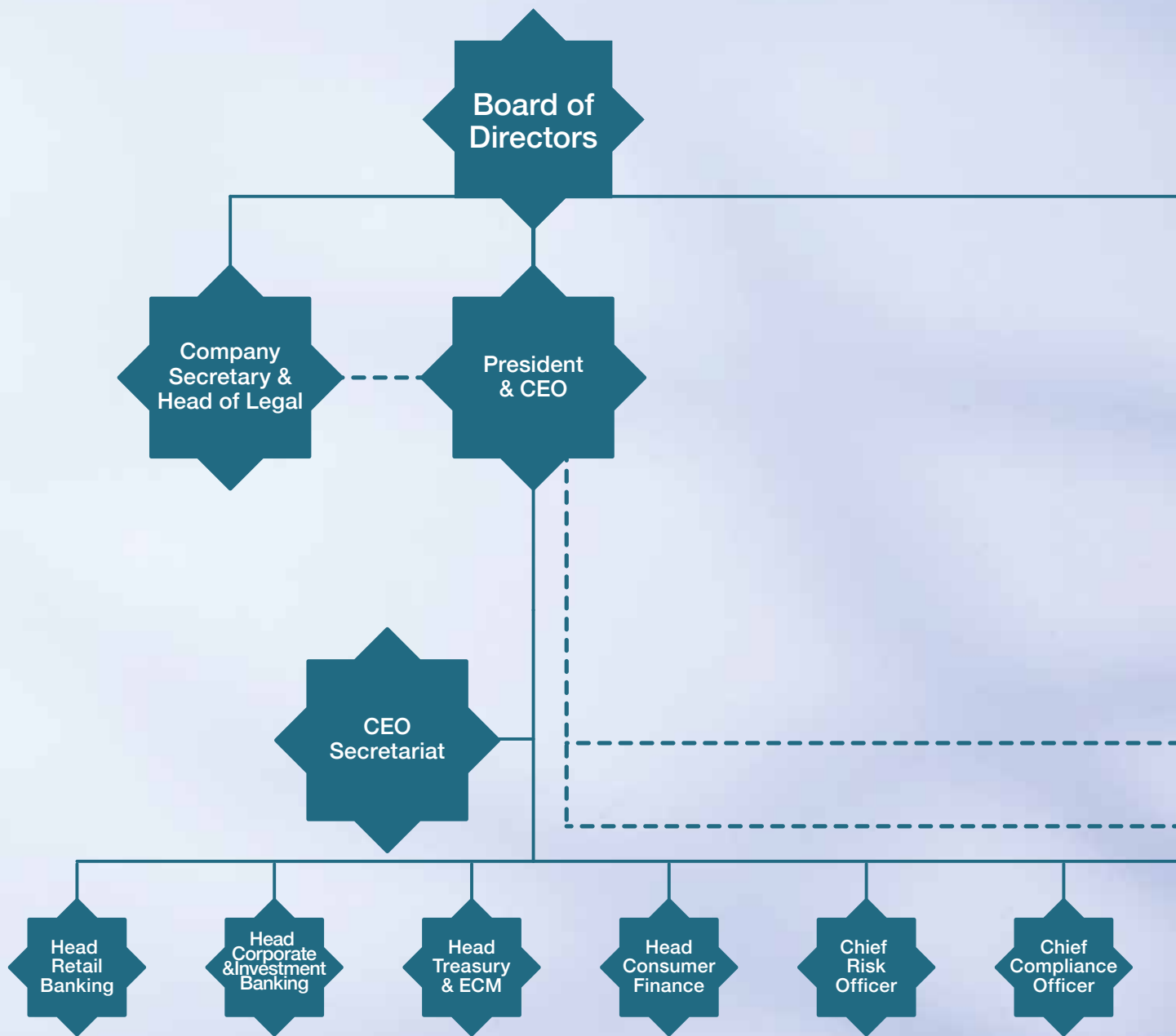
 **900**
Total Branches

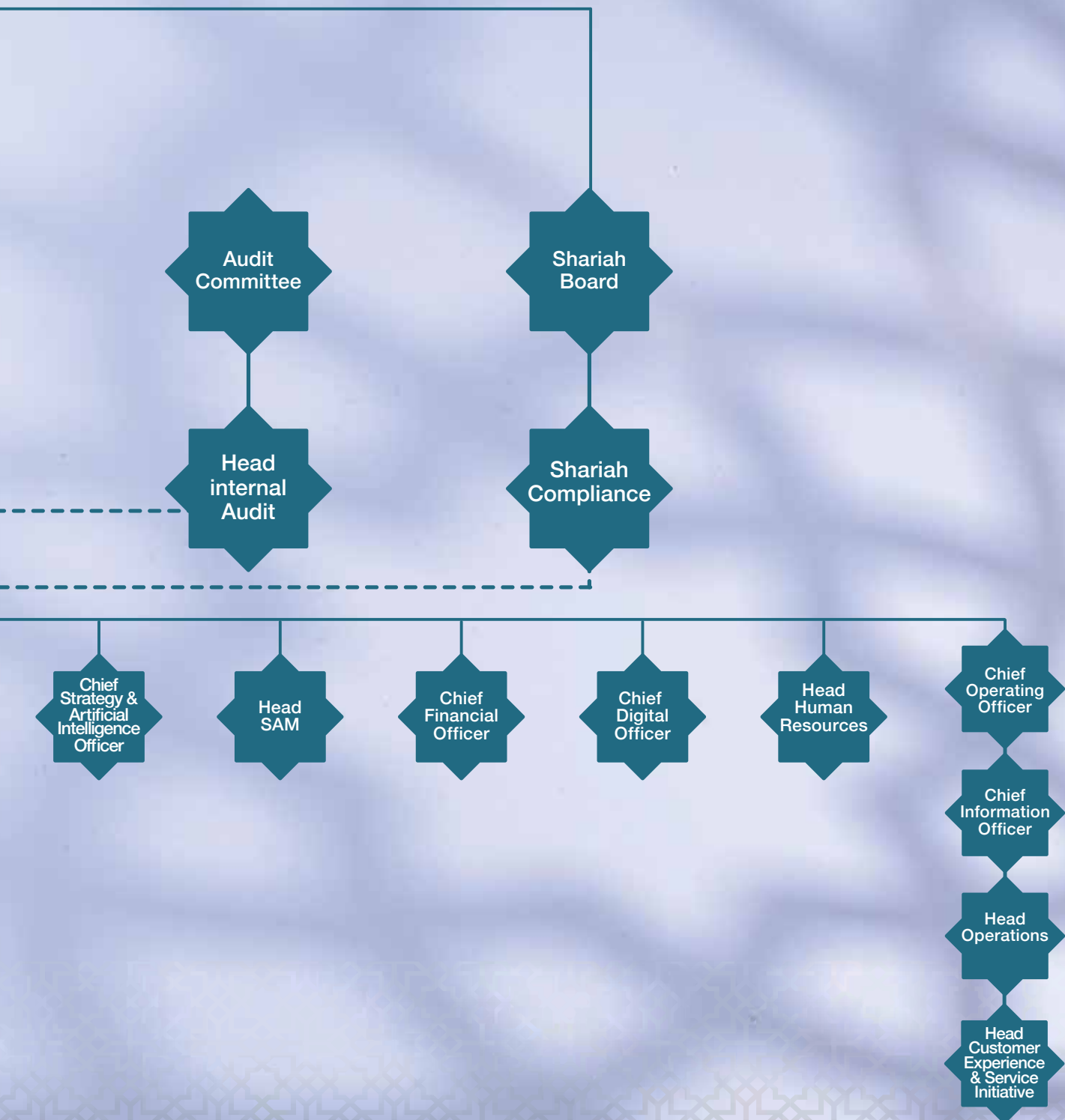
 More than
900
ATMs

 More than
360
Cities Across Pakistan



Organisational Structure





Corporate Information as of December 31, 2025

Board of Directors

Mian Muhammad Younis
Chairman/Non-Executive Director

Mr. Ahmed Abdulrahim Mohamed Abdulla
Bucheery
Vice Chairman/Non-Executive Director

Mr. Yousaf Hussain
President & CEO

Mr. Imtiaz Ahmad Pervez
Non-Executive Director

Mr. Ali Munir
Independent Director

Mr. Juma Hasan Ali Abu
Non-Executive Director

Mr. Abdulelah Ebrahim Mohamed AlQasimi
Non-Executive Director

Ms. Fatima Asad Khan
Independent Director+

Mr. Mohsin Tariq
Independent Director

Ms. Sadia Khan
Independent Director

Mr. Mohamed Ahmed Bucheerei
Non-Executive Director

Board Audit & Corporate Governance Committee

Mr. Ali Munir
Chairman

Mr. Ahmed Abdulrahim Mohamed
Abdulla Bucheery
Member

Mr. Juma Hasan Ali Abu
Member

Mr. Mohsin Tariq
Member

Board Risk Management Committee

Mr. Imtiaz Ahmad Pervez
Chairman

Mr. Abdulelah Ebrahim Mohamed AlQasimi
Member

Mr. Ali Munir
Member

Mr. Mohamed Ahmed Bucheerei
Member

Mr. Yousaf Hussain
Member

Recruitment Nomination and Remuneration Committee

Mr. Ahmed Abdulrahim Mohamed
Abdulla Bucheery
Chairman

Mr. Juma Hasan Ali Abu
Member

Mr. Mohsin Tariq
Member

Ms. Fatima Asad Khan
Member

Ms. Sadia Khan
Member

Board Strategy Committee

Mian Muhammad Younis
Chairman

Mr. Ahmed Abdulrahim Mohamed
Abdulla Bucheery
Member

Mr. Juma Hasan Ali Abu
Member

Mr. Imtiaz Ahmad Pervez
Member

Ms. Fatima Asad Khan
Member

Mr. Yousaf Hussain
Member

Board IT Committee

Ms. Sadia Khan
Chairperson

Mr. Abdulelah Ebrahim Mohamed
AlQasimi
Member

Mr. Mohamed Ahmed Bucheerei
Member

Mr. Yousaf Hussain
Member

Board Sustainability & Development Committee

Mian Muhammad Younis
Chairman

Mr. Abdulelah Ebrahim Mohamed
AlQasimi
Member

Ms. Fatima Asad Khan
Member

Ms. Sadia Khan
Member

Mr. Yousaf Hussain
Member

Shariah Board

Mufti Muhammad Mohib-ul-Haq
Siddiqui
Chairman Shariah Board

Dr. Mufti Khalil Ahmad Aazami
Member Shariah Board

Mufti Muhammad Najeeb Khan
Member Shariah Board

Dr. Mufti Hassan Ashraf Usmani
Member Shariah Board

Mufti Muhammad Uzair Qasim
Member Shariah Board

Mufti Abdul Basit
Resident Shariah Board Member

Mr. Tanveer Khatri
Chief Financial Officer

Mr. Aurangzeb Amin
Company Secretary & Head of Legal

M/s. KPMG Taseer Hadi & CO,
Chartered Accountants
Auditors

**M/s. Mohsin Tayebaly
& Co, Advocate**
Legal Advisors

Registered Office

Faysal Bank Limited, Faysal House,
St-02, Commercial Lane, Main
Shahrah-e-Faisal, Karachi-Pakistan

UAN : (92-21) 111-747-747
Tel : (92-21) 3279-5200
Fax : (92-21) 3279-5226
Website: www.faysalbank.com

Share Registrar

CDC Share Registrar Services
Limited
CDC House, 99-B, Block-B, SMCHS,
Main Shahra-e-Faisal, Karachi-74400

Tel: (92-21) 111-111-500
Fax: (92-21) 34326053
Email: info@cdcsrsl.com

Note: The State Bank of Pakistan has accorded the Fit & Proper approval to the above-mentioned Members of the Board of Directors and accordingly, the said Directors have assumed their responsibilities as the directors.

Our People

2025

Staff Turnover Ratio Total	24.46%
Staff Turnover Ratio Voluntary	10.91%

Employees Type

Head Count Dec 2025

Full-Time Employee	10,075
Bank Contract	42
Total	10,117

Gender

Head Count Dec 2025

Male	7,953
Female	2,164
Total	10,117

Hours Spent on Trainings - YTD Dec 2025

L&D Centre – All Regions – 2025	No. of Participant Trained	Man Hours	Average Training Hours per Participant
eLearning	148,020	477,063	3
Classroom	32,727	232,779	7
Grand Total	180,747	709,842	4

L&D Centre – Class room – 2025	No. of Participant Trained	Man Hours	Average Training Hours per Participant
Central I	6,873	69,819	10
Central II	5,585	32,378	6
North	8,075	51,364	6
South	12,194	79,218	6
Grand Total	32,727	232,779	7

History of Major Events

1987

- Faysal Islamic Bank of Bahrain started operation in Pakistan with three branches.

1994

- Incorporation of Faysal Bank Limited in Pakistan.

2001

- Merger of Al-Faysal Investment Bank Limited with Faysal Bank Limited.

2003

- Incorporation of Faysal Funds.
- First ever scheduled bank to have received the Top Companies Award.
- Third place in the Best Corporate Report.

2005

- Best Architectural Design Award from Institute of Architects Pakistan.
- Second place in the Best Corporate Report.

2006

- Best Corporate Report Award.

2007

- Certificate of Excellence in Commercial Banking Category.
- Third place in the Best Corporate Report.

2008

- Best Corporate Report Award.

2010

- Royal Bank of Scotland Limited (RBS Pakistan) merged into Faysal Bank Limited.
- FBL expanded its branch network to 226, ranking among Pakistan's top ten banks.
- Introduced Solitaire Wealth Management as a new priority banking service.
- Fourth place in the Best Corporate Report Awards.

2011

- Barkat Islamic Banking expanded from 13 to 45 branches across 20 cities, meeting aggressive growth targets.
- Cash Management introduced a web-based Remittance system for efficient Home Remittance transactions.
- Launched the CEO Club to recognize and incentivize top performers bank-wide.

2012

- FBL became the first financial institution registered under Debt Securities Trustee Regulations.
- Faysal Bank partnered with China UnionPay to launch the first UnionPay Debit card in Pakistan.
- Mobile Banking service introduced.
- Launched the Solitaire Platinum Debit Card.
- Faysal Bank announced its corporate brand promise and official tagline Bank on Ambition.

2013

- Introduced Mobile Banking service Mobit.
- Formally entered the social media age with the launch of FBL's Facebook page.
- L&D launched first annual learning calendar.

2015

- Expanded Bank's premium product suite with the launch of "World Credit Card" and enhancing our existing value proposition with the launch of Lifestyles program.

2016

- Presence in more than 100 cities.
- Over 100 Islamic branches.
- Deposits exceeded PKR 340 billion, with a Current Account component surpassing PKR 110 billion.

2017

- Celebrated 30 years of presence in Pakistan.
- Expanded the Islamic branch network to 197—the country's largest network of dedicated Islamic Branches among conventional banks.
- Implemented a comprehensive environmental policy, undertaking initiatives to reduce energy consumption and carbon emissions.
- Board of Directors approved a Rs. 225 million investment in Faysal Asset Management Limited (FAML).

2018

- Acquired 69.99% of Faysal Asset Management Limited (FAML), increasing FBL's total interest to 99.99%.

2019

- Achieved the largest branch expansion in history, opening 100 new Islamic branches.
- Best Emerging Islamic Bank awarded by CEO Summit Asia.
- ABF Corporate & Investment Banking Awards - Syndicated Loan of the Year in Pakistan for K-Electric Limited.
- Won the 'Most improved score award' at the 11th Best Place to Work Awards.
- Developed Green Banking Policy.

2020

- Best Emerging Islamic Bank by the Global Islamic Finance Awards.
- Best Emerging Bank by the Pakistan Banking Awards.
- Launched a mobile app and a new internet banking platform named 'Digibank'.
- Received 5 Global Diversity, Equity & Inclusion Awards.
- Best Corporate Report Merit Award.

2021

- Best Islamic Bank for Transformation & Innovation awarded by Global Islamic Finance Awards.
- Best Bank of the year by CFA Society Pakistan.
- Introduced premium Islamic credit card, Noor.

2022

- Conversion to a full-fledged Islamic Bank.
- 1 trillion mark in total assets.
- Best Islamic Retail Bank in Pakistan awarded by Cambridge IFA.
- Received 7 Global Diversity, Equity & Inclusion Awards.
- 700 branches network.

2023

- PKR 1 trillion Deposits
- Best Corporate Report Award.
- Best Emerging Bank Award by Pakistan Banking Awards.
- Best Emerging Islamic Bank Award by Global Finance Islamic Awards.
- Launched Faysal e-academy, a new Learning Management System for employees.

2024

- Received 12 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards
- Employer's Federation of Pakistan (EFP) Women Empowerment & Gender Equality Silver Award
- HR Pinnacle Award 2024 – Best Innovation in HR
- Employer of Choice Gender Diversity Awards 2024 – Best Inclusion Practices
- Faysal Bank Receives "Dragon Awards" for Marketing Campaign for "Best Brand Building/Awareness Campaign" Category.
- FaysalExchange Opens in 2024.
- 850+ Branches opening across Pakistan
- Best Corporate Report Award 2023
- Winner of ICAP's Digital Technology Awards 2024: Best Financial Dash Board Award and Best Digital Tech Experience Whatsapp Banking
- Faysal Banks wins PICG ESG Stewardship Award 2024
- Faysal Bank wins awards at 4th Pakistan Remittance Summit as the Fastest Growing Bank in Pakistan's Remittance Market
- Faysal Bank received two prestigious awards at the 10th Islamic Retail Banking Awards, securing recognition as the Best Islamic Retail Bank for Consumer Financing and Best Islamic Digital Banker in Pakistan for 2024.
- FBL's Consumer Finance team won two prestigious awards, Market Leader in Affluent Credit and Top Issuer of Cards in Pakistan at Mastercard East Arabia Business Forum 2024.

2025

- Faysal Bank Bags 14 Global Diversity, Equity & Inclusion Benchmark Awards 2025
- Faysal Bank Wins Top Islamic Banks Incremental CIF 2024 and Top Paypak Acquirer 2024 by PayPak
- Faysal Bank Signs MoU with K Solar for First Ever Green Sukuk Program
- Faysal Bank wins the Leading Award "Best Partner Bank" by State Bank of Pakistan (SBP) – Financial Inclusion Support Department

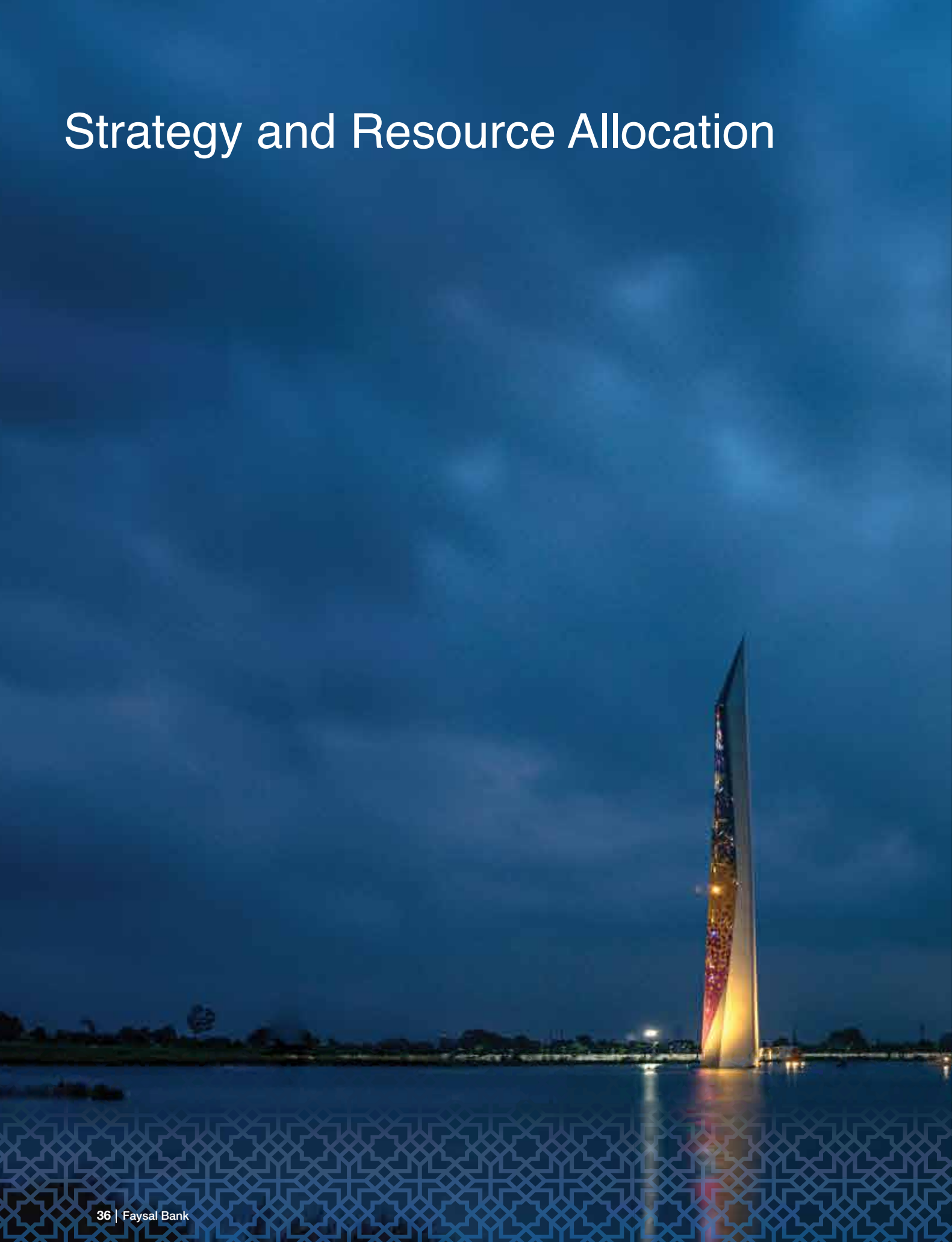
- Faysal Bank wins multiple Prestigious 17th Annual CSR Awards 2025 held by National Forum for Environment and Health.
- MasterCard bestows Faysal Bank with two prestigious awards for "Market Leader in Affluent Cards" and "Top issuer of Credit Cards in Pakistan".
- Faysal Banks wins "Most Innovative Bank in Pakistan" 2024 at the Islamic Finance Network (IFN) Awards.
- Faysal Bank honored by Islamic Finance Network (IFN) for "Pakistan Deal of the Year 2024 Award" in Pakistan's Oil & Gas Exploration sector
- Faysal Bank Recognized by State Bank of Pakistan for financial literacy efforts.
- Faysal Bank wins Best Digital Marketing Campaign of the Year (Roshan Digital Account) at Pakistan Digital Awards 2025.
- Faysal Bank wins 4 prestigious awards at the Global Islamic Finance Awards 2025 held in Singapore.
- Faysal Bank Recognized by State Bank of Pakistan for Excellence in Financial Literacy Week 2025.
- Faysal Bank Acknowledged by UnionPay International as the "The Fastest Growing Acquiring Bank" in Pakistan 2025.
- Faysal Bank wins Momentum Award – Issuing Bank "11th Trade and Supply Chain Awards 2025" by Asian Development Bank (ADB).
- Faysal Bank Honored with "Award of Appreciation" by SBP for its outstanding performance under the Agriculture Finance Literacy Program (AFLP).
- Faysal Bank Celebrates Double-Win at Asian Technology Awards 2025
- Faysal Bank recognized as "Employer of Choice" at the Gender Diversity Awards 2025 hosted by Internal Finance Corporation (IFC) and the Pakistan Business Council.
- Faysal Bank wins "Best Mid-Sized" Bank at the prestigious Pakistan Banking Awards.
- Faysal Bank wins "Best Islamic Retail Bank" (Mid-Sized) at the 11th Islamic Retail Banking Awards.
- Faysal Bank Honored with SBP PRI Award at Pakistan Remittance Summit – 2025 as the 5th Largest Bank in Pakistan for remittances.
- Faysal Digibank earns Global Recognition for Innovation in Banking at Qorus Reinvention Awards MEA 2025 in Dubai.

Significant Changes from Prior Years

There have been no significant changes from prior years.

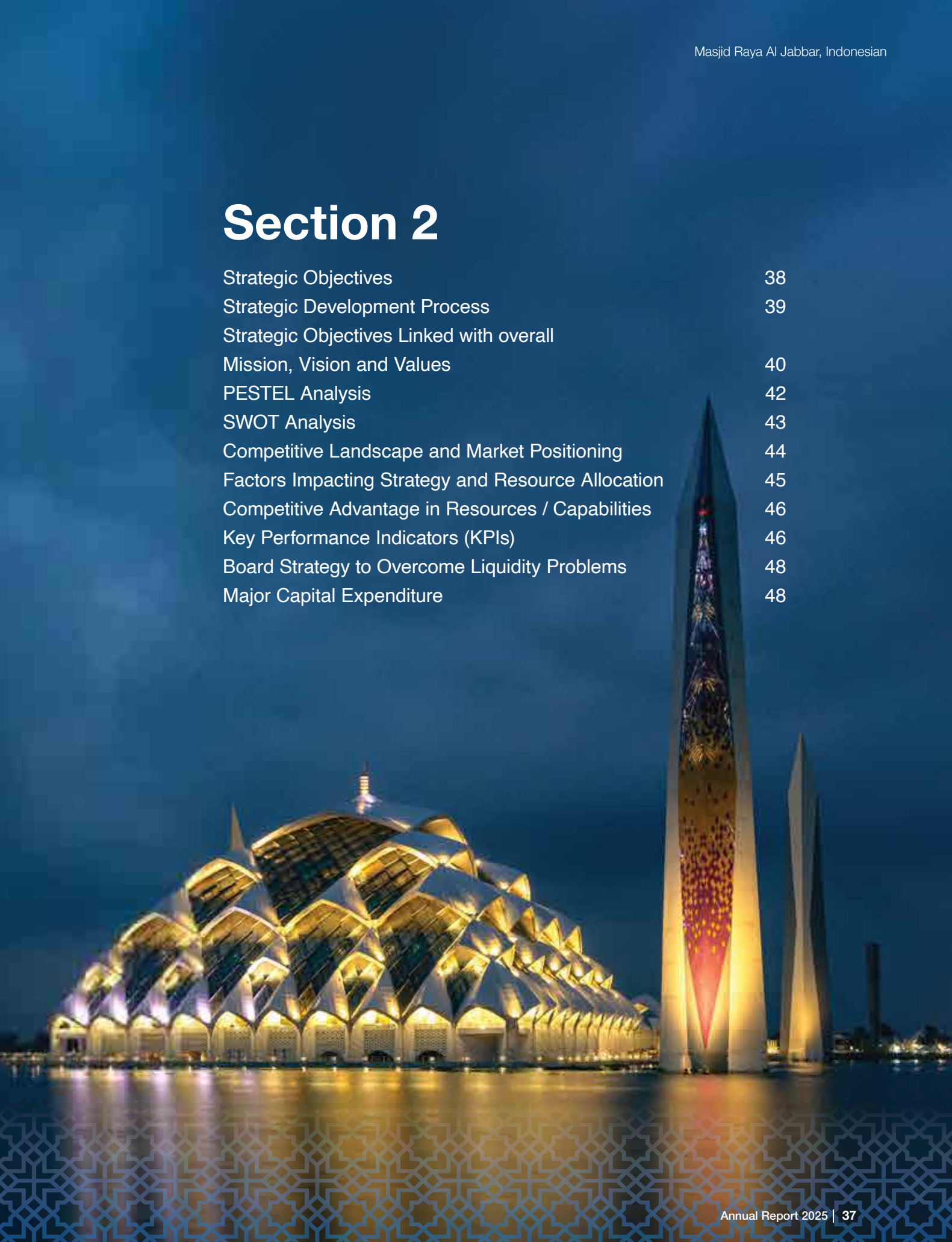


Strategy and Resource Allocation



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Strategy, Resource Allocation

Strategic Objectives and Strategies for Achieving Goals

In 2023, Faysal Bank successfully became the first commercial bank in Pakistan to fully convert into an Islamic bank. This was the largest conversion of its type globally and reflects our unwavering commitment to Islamic banking principles.

This conversion is just the starting point of our vision which is to become the leading customer-centric Islamic bank, driven by passion and belief. Our entire corporate strategy is built around this vision and emphasizes product enhancement, operational efficiency, digital innovation, customer satisfaction, sustainability initiatives, employee development and financial inclusion, all in complete adherence to Islamic principles.

Key Strategic Initiatives and Achievements in 2025

During 2025, there are several notable achievements including the successful expansion of the branch network to 900 branches in 360 cities.

Network expansion and optimization remains a key tenet of FBL's growth strategy. This increase in physical presence allows Faysal Bank to target a broader customer base throughout the country with its comprehensive banking solutions. The Bank is now present in most key markets and is well positioned to capture a share of the economic value chain wallet across the same. By prioritizing areas with significant economic potential, Faysal Bank has positioned itself to drive inclusive financial access, aligned with its vision for sustainable growth and development.

In 2025, Faysal Bank also focused on further enhancing customer experience through product and service augmentation. The Bank expanded priority banking services and rolled out advanced wealth management solutions. Key initiatives included the modernization of Priority Lounges in Karachi, Islamabad, and Multan, offering exclusive access to luxury banking facilities. The Faysal Islami Priority World Debit Card provided high-net-worth customers with global access in more than 200 countries/territories worldwide, enhanced transaction limits, exclusive discounts, and complimentary travel insurance along with a dedicated helpline ensuring personalized customer support. Complimentary travel coverage and daily hospitalization coverage up to PKR 100,000 were also introduced to offer comprehensive protection. Furthermore, wealth management services were strengthened by assigning dedicated Relationship Managers and offering a range of Shariah-compliant investment and Takaful products tailored to clients' financial goals. These initiatives underline Faysal Bank's commitment to delivering exceptional banking experiences, fostering long-term relationships, and supporting the financial well-being of its valued clients.

Faysal Bank focused on the expansion of BancaTakaful solutions, with new saving and protection plans developed in partnership with leading life Takaful providers. Additionally, the introduction of Health Takaful and Life Takaful products addressed critical needs for health and life coverage, including the launch of the Industry's First Dental Plan. Faysal Bank partnered with Oladoc to provide a comprehensive digital health platform for easy access to medical consultations, appointments, and healthcare services from a pool of more than 25,000+ doctors. Furthermore, Faysal Bank expanded its investment offerings through Shariah-compliant mutual funds, in collaboration with Faysal Funds, enabling clients to diversify their portfolios based on their risk profiles and investment goals, while also offering tax benefits. These initiatives underscore Faysal Bank's commitment to providing innovative wealth management solutions that align with customers' financial objectives and secure their long-term well-being.

On the Retail Financing side, Faysal Bank enhanced its Islamic Home Finance solutions, offering flexible financing options such as Home Buyer, Home Builder/Plot + Construction, Home Renovation, and Home Refinance solutions. These products help customers achieve homeownership through joint asset ownership, where they gradually purchase the Bank's share. Additionally, FBL also introduced new innovative Islamic Car Finance products, offering customers the opportunity to finance their vehicles through Residual Value Financing and 1-year and 2-years rent-only plans. The Bank also launched Secured Islamic Personal Finance, a limit-based financing option that leverages cars as collateral, offering a Riba-free solution for diverse personal needs such as education, medical, and marriage expenses.

Faysal Bank observed continued innovation and expansion of its range of unsecured Islamic financing products in 2025, catering to diverse customer needs. A standout achievement was the continued success of the Faysal Islami Noor Card, Pakistan's first Shariah-compliant card, which offers advanced Tawarruq based features such as chip and contactless technology, widespread acceptance, and an exclusive Instant Reward Redemption program. The Bank also continued to improve the value proposition for its entire suite of cards which target various income levels through alliances, discounts and loyalty programs.

Faysal Bank also continued to lead the way in digital banking innovation, reinforcing its position as the #MostInnovativeIslamicBank.

Strategy Development Process

Faysal Bank's strategic direction has been shaped by a comprehensive five-year corporate strategy, initially formulated for the period 2018–2023, through which the bank achieved targeted results. Building upon the foundation of this plan, a revised five-year strategy has been developed in collaboration with local and international consultants which covers the period 2026–2030. This strategy outlines the bank's medium and long-term priorities, sets clear operating frameworks and their associated financial objectives. Additionally, it highlights key organizational priorities and introduces a phased, milestone-based implementation approach, accompanied by well-defined key performance indicators (KPIs) to ensure effective execution and measurability of progress.

The implementation of the corporate strategy is carried out through a well-defined four-stage process. This begins with a comprehensive environmental analysis to assess external and internal factors influencing operations. Opportunities for growth and value creation are then identified, laying the foundation for informed decision-making. Execution of the implementation phase is conducted meticulously, ensuring that strategies are effectively translated into actionable initiatives. Progress is closely monitored using pre-defined Key Performance Indicators (KPIs), enabling the Bank to track outcomes and make timely adjustments to achieve its objectives efficiently. This structured approach underscores Faysal Bank's commitment to sustainable growth and operational excellence.



Stage 1: Environmental Analysis

Faysal Bank analyzes its internal and external environments to navigate the dynamic financial landscape effectively. The bank capitalizes on its strengths while strategically analyzing market trends, customer behaviors, economic dynamics, and regulatory developments. This thorough analysis enables Faysal Bank to uncover growth opportunities, address potential risks, and to proactively align strategic and operational initiatives with evolving market conditions.

Stage 2: Opportunities for Growth and Value Creation

Faysal Bank works closely with its existing and potential customers to identify areas of opportunity in terms of increased coverage, product augmentation, branch expansion, service enhancement, and channel optimization. Through this process, the bank ensures customer-centricity and innovation so that opportunities are not only identified but the value associated with these opportunities are properly assessed.

Stage 3: Strategy Development and Implementation Plan

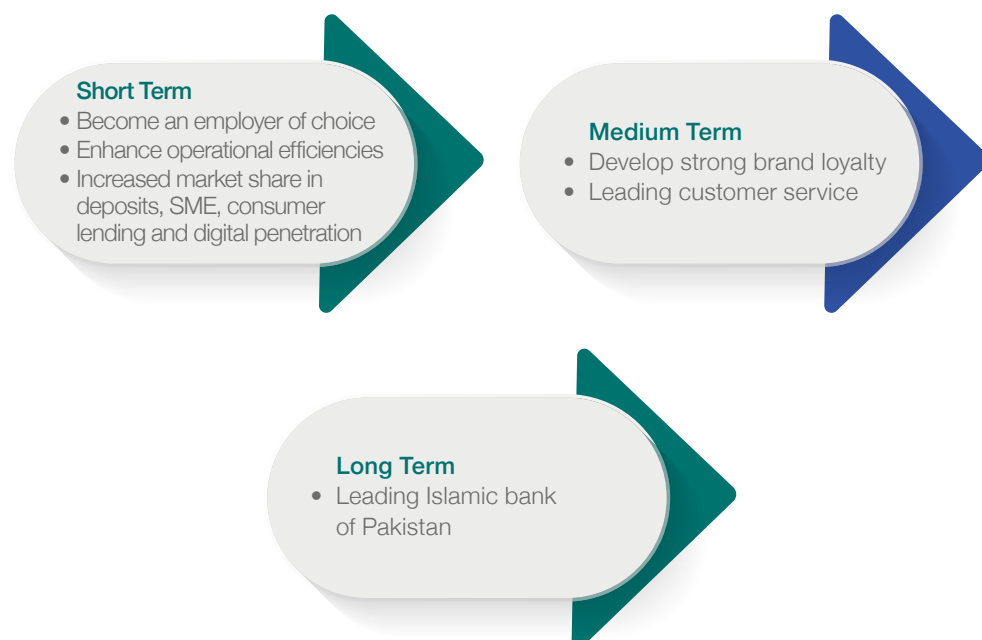
Once the environmental analysis is complete and opportunities are identified, Faysal Bank's BoD and Management align on strategic objectives that drive value

creation and capitalize on key opportunities. Our strategy development process sets clear goals, leverages data-driven insights, and ensures stakeholder buy-ins at every level. Through a structured implementation plan, we optimize resources, establish key performance indicators (KPIs), and foster cross-functional collaboration to ensure seamless execution. We continuously monitor progress and adapt strategies to stay ahead in dynamic market conditions.

Stage 4: Monitoring through KPIs

We actively monitor Key Performance Indicators (KPIs) through a structured framework that includes real-time dashboards, periodic reviews, and detailed reporting. Quality is ensured by adhering to best practices, conducting regular audits, and implementing a robust quality assurance process at every stage. Insights from KPI tracking and quality assessments are systematically analyzed to identify areas for improvement. These findings feed into a continuous improvement cycle, enabling us to refine strategies, enhance processes, and drive sustainable, high-impact results. This approach ensures that we not only meet but consistently exceed performance expectations.

Strategic Objectives Linked with overall Mission, Vision & Values



Resources to Meet Strategic Objectives

Nature of Capital	Affecting Factors	Key Resources and Capabilities	Resource Allocation
Financial Capital	- Profitability trends - Capital adequacy and regulatory requirements - Risk management practices	- PKR 115 billion in equity, 1,427 billion in deposits & 654 billion in financing - Profits of PKR 21.7 billion 14.04% CAR, ensuring regulatory compliance and resilience	- Strategic reinvestments in growth areas - Digital infrastructure financing - Enhancing liquidity buffers and reserves
Human Capital	- Diversity and inclusion - Talent acquisition and retention - Employee engagement and satisfaction	- Workforce of 10,117 employees, including 2,164 females - Leadership development programs - High employee engagement scores	- Investments in upskilling and reskilling programs - Fostering workplace equity
Manufactured Capital	- Physical network expansion - Infrastructure scalability - Accessibility for underserved markets	- Digitally integrated branch and ATM/CDM networks 900 branches, 900+ ATMs, 122 CDMs	- Branch optimization for customer convenience - Expansion of branches and sustainable infrastructure
Intellectual Capital	- Brand value and equity - Data analytics and insights - Risk management frameworks	- Proprietary customer analytics tools and CRM - Advanced fraud detection systems - Strong market insights and risk mitigation strategies	- Development of AI-powered decision-making tools - Investments in data-driven service innovation
Natural Capital	- Environmental sustainability goals - Renewable energy adoption - Compliance with global ESG standards	- Energy-efficient operations - Funding for green financing initiatives - Integration of renewable energy in operations	- Green energy projects funding - Optimizing internal processes for resource efficiency
Social and Relationship Capital	- Customer loyalty and retention - Stakeholder trust - Community partnerships	2.9 million+ active customers - Deployed 23K+ QR/POS to merchants - Robust CSR initiatives	- Investment in financial literacy programs - Strengthening merchant and vendor partnerships - Expanding CSR impact initiatives

PESTEL Analysis

Political:

Major shifts in the geopolitical landscape and drivers like security, diplomacy, and resources reshaped Pakistan's international standing over the course of the year 2025. The country secured a new global standing, leveraging bilateral partnerships to fuel transition from stabilization to growth. Driven by geopolitical tensions, tariffs, and conflict, global economic volatility is set to persist through 2026. Although the banking sector has demonstrated resilience, the overall sectoral performance remains closely tied to the broader economic climate. Key decisions by stakeholders on economic reforms, particularly those relating to banking regulation, fiscal policies, and tax reforms, have a direct impact on the bank's operations. Faysal Bank, like other financial institutions, continuously adjusts its strategies to accommodate shifts in policymaking.

Economic:

In 2025, Pakistan's economy demonstrated signs of stabilization and gradual recovery following a period of turbulence, marked by a significant drop in inflation and a current account surplus. This progress, however, was accompanied by persistent structural challenges, including a low GDP growth rate that barely kept pace with population growth and high debt levels.

Despite stabilization gains, the recovery remained fragile. High inflation and slow job creation kept poverty and youth unemployment elevated. Furthermore, structural deficits including a low tax-to-GDP ratio, sluggish manufacturing, and weak investment persisted. The economy also remained vulnerable to external shocks, climate disasters, and the politically difficult reforms required by the IMF program.

Overall, 2025 was a year where Pakistan successfully navigated short-term stabilization, creating a foundation for a potentially stronger recovery in 2026, provided that reform momentum is maintained and key vulnerabilities are addressed.

While the decrease in policy rate directly impacts Faysal Banks spreads, the Bank is focusing on its core strengths and continues to drive operational efficiencies, ensuring continued resilience. The Bank remains ready to capitalize on emerging opportunities which are now surfacing with the improvement in business sentiment and will continue to position its balance sheet in an optimal manner given the external environment.

Social:

Pakistan has a young population, however rapid and sustained increase surpassed the population, challenges pertaining to education, health, employment and skill development all hinder efforts to fully realize the benefit of a large and young population. Faysal Bank recognizes the critical role of human capital in sustaining long-term economic progress and is committed to addressing these socio-economic challenges within its ambit of influence. The

bank places a strong emphasis on sustainability, environmental responsibility, and ethical governance in its core business practices. By fostering social well-being through its operations, Faysal Bank remains dedicated to supporting initiatives that empower individuals and communities.

The increasing popularity and trust in Islamic finance have significantly driven demand for Shariah-compliant banking products. Faysal Bank is well-positioned to meet this demand by expanding its Islamic banking services, offering Sharia Compliant Consumer Finance Solutions to customers seeking ethically aligned financial options. Furthermore, Faysal Bank has capitalized on the focus on financial inclusion in Pakistan, extending its reach into regions previously unserved by the bank. This strategic expansion targets areas bustling with business activities, enabling the bank to tap into diverse markets across various sectors and industries. This approach not only aids market penetration but also supports local economic development by providing essential banking services in these areas.

In alignment with Pakistan's broader socio-economic goals, Faysal Bank actively engages in community outreach programs, aiming to drive positive social change and contribute to national development. Through these initiatives, Faysal Bank plays a pivotal role in strengthening the socio-economic foundation of Pakistan and supporting a more resilient and inclusive society.

Technological:

The ongoing global technological revolution has transformed how individuals and businesses interact with financial services. Digital transformation has become a key driver, enhancing access to banking services, payments, investments, and financial management. These advancements have opened new revenue streams and created opportunities for cost savings, while also reshaping organizational structures and business models.

In response to this shift, the Bank invested extensively in technology and related HR strength to churn a constant stream of innovative digital solutions, products and platforms. Faysal Bank has embraced digital innovation to remain competitive in an increasingly technology-driven landscape. The bank has integrated mobile banking solutions, advanced technologies such as AI, big data, and machine learning into its operations focusing on continuous encouragement through Strategic Fintech collaborations and partnerships. Faysal Bank has adopted a transformative outlook with a clear-cut focus on innovation and digitization of customer experiences. These technologies have enhanced the bank's operational efficiency, improved customer engagement, and created new revenue opportunities.

Pakistan's youthful and tech-savvy population comprising of 2/3 of the country, is poised to fully leverage the potential of digital transformation. Faysal Bank is actively supporting this

shift by expanding its mobile banking offerings and digital payment solutions, which enhances the accessibility and efficiency of financial transactions, particularly for underserved and remote communities. Faysal Bank's continuous enhancement of its mobile app and integration of WhatsApp Banking, including live support, has redirected traffic from call centers to WhatsApp, boosting customer satisfaction and solidifying its position in this growing segment.

However, these technological advancements also bring new challenges, particularly in the realm of cybersecurity. As banks become prime targets for cyberattacks, safeguarding client data and maintaining service integrity is a top priority. Faysal Bank remains committed to continuously investing in cutting-edge security technologies to protect against cyber threats, ensuring a seamless and secure user experience. By staying at the forefront of technological innovation and addressing cybersecurity risks, Faysal Bank is positioning itself to drive growth and contribute to Pakistan's digital future.

Environmental:

Pakistan faces significant environmental risks, including frequent natural disasters such as floods, droughts, and earthquakes, which are exacerbated by climate change. The country is highly vulnerable to the effects of global warming, including rising temperatures and water scarcity. These challenges not only affect the achievement of development goals but also pose direct risks to financial institutions, threatening stability, solvency, and profitability. For financial institutions such as Faysal Bank, these risks can manifest in both physical and transition risks.

Physical risks include damage to assets, infrastructure, and land, potentially leading to increased defaults in loan portfolios and diminished asset values. Pakistan, while a minor contributor to global carbon emissions, faces some of the most severe impacts of climate change, such as erratic weather patterns, rising temperatures, and frequent natural

disasters like floods and droughts, all of which disrupt businesses and financial systems. As Pakistan is gradually adopting stricter environmental regulations, Faysal Bank focusses on ensuring that its operations and lending activities comply with these regulations. The bank's efforts are in line with Pakistan's National Adaptation Plan (NAP) and contribute to the national agenda for climate resilience.

As global awareness of climate change rises, Faysal Bank is proactively addressing these environmental risks by integrating sustainability into its business model by exploring opportunities to fund green projects and offer eco-friendly financial products aligning with international sustainability trends such as solar financing and new energy vehicle financing solutions.

Faysal Bank has also reinforced its commitment to society by driving impactful initiatives across health, education, and poverty alleviation. These efforts supported community uplift, enhanced access to essential services and aligned with global SDGs including good health and well-being, quality education, reduced inequalities, and clean water and sanitation. Faysal Bank was honored with the PICG ESG Stewardship Award, recognizing its commitment to environmental, social, and governance (ESG) practices.

Legal & Regulatory:

Pakistan's banking sector operates within a well-defined legal and regulatory framework, primarily governed by the State Bank of Pakistan (SBP). This framework ensures the stability of the financial sector, promotes transparency, and upholds high corporate governance standards. It provides clear guidelines for financial institutions, including Faysal Bank, to operate in compliance with national and international standards, fostering confidence among investors, customers, and stakeholders.

Faysal Bank is fully compliant with all applicable rules and regulations and fully adheres to the legal framework established by the SBP, and the Foreign Exchange Regulation Act of 1947.

SWOT Analysis

STRENGTHS • Largest bank to convert its portfolio to Islamic • Extensive branch and ATM network • Focus on Compliance and Controls • Competent & Committed Human Capital	WEAKNESS • Lower International Presence / Global Footprint compared to Peer Banks • Younger network as compared to peer banks
OPPORTUNITIES • Scope in digital banking, green banking, AI and Fintech • Expanding demand and acceptability for Islamic banking • Fostering ESG and sustainable business practices • Leveraging Retail & Corporate Relationships for Cross sell Initiatives • Gain further strengthen market share in deposits • Supply chain financing, SME non-financial advisory • Brand strengthening	THREAT • Increasing competition in Islamic banking • Cyber-attacks, online frauds and data security risks

Competitive Landscape and Market Positioning

Threat of New Entrants and Substitute Products/Services

The banking industry in Pakistan faces significant barriers to entry, such as stringent regulatory requirements set by the State Bank of Pakistan (SBP) and high capital thresholds. However new entrants are entering different verticals of the business in the form of EMI's, PSO/PSP's as well as Retail Digital Banks. This has increased competition amongst specific verticals and customer / product segments which adds to the already competitive landscape.

Faysal Bank remains resolute in addressing these challenges by offering a diverse range of financial services tailored to meet the needs of corporate clients and everyday banking and lifestyle requirements of various customer segments. The bank's consumer products include personal loans, credit cards, and mortgages, while retail options cater to daily banking needs through an extensive network of branches and digital platforms. For high-net-worth individuals, Faysal Bank provides priority banking services that offer personalized financial advice and exclusive benefits. Additionally, the bank offers an extensive suite of Wealth Management solutions and continues to innovate to enhance customer experience, making them more enjoyable, convenient, and hassle-free. Competitive market rates are also part of Faysal Bank's strategy to increase switching costs for customers and foster long-term sustainable relationships by partnering closely with them.

Bargaining Power of Customers

In Pakistan's banking sector, customers/depositors wield high bargaining power due to low switching costs and the availability of numerous alternatives. Customers are increasingly drawn to banks that offer better digital experiences, competitive rates, and personalized services. This power is particularly pronounced among high-net-worth individuals, whose larger deposits and transactions significantly impact a bank's profitability. Mass retail customers, while having lower individual influence, collectively drive demand for user-friendly services and efficient banking solutions. Faysal Bank counters this by continuously improving its digital offerings, such as mobile and online banking, and by tailoring its products to meet the specific needs of its diverse customer base. Through loyalty programs, personalized service, and innovative products, the bank aims to retain its customers and become a preferred choice for the segments it operates in.

Bargaining Power of Suppliers

In the banking industry, suppliers primarily include technology providers and employees, both essential for maintaining operational efficiency. Faysal Bank relies on a range of technological solutions, such as core banking systems and cybersecurity services, to support its operations. Additionally, the contribution of employees is vital to the bank's functionality. These suppliers typically have no bargaining power due to the availability of alternatives in the market.

Intensity of Competitive Rivalry

Competition within Pakistan's banking sector is intense, driven by the dominance of large players with significant resources and extensive well-seasoned branch networks and well-established brands. The low switching costs for customers further increases the importance of differentiation, as banks compete to offer unique and innovative solutions including tailor-made products. Rapid advancements in digital technology and evolving customer preferences are disrupting traditional banking models, prompting financial institutions to adopt new strategies to remain relevant. Faysal Bank differentiates itself by leveraging its leadership in Islamic banking while investing in digital platforms to enhance and improve customer convenience, ultimately increasing customer satisfaction. These efforts enable Faysal Bank to maintain its competitive edge and thrive in a rapidly evolving industry.

Strategies in Place

From a customer service perspective, Faysal Bank is committed to enhancing service quality and ensuring consistent service standards across all channels and outlets. By integrating these standards, the bank aims to provide seamless and uniform customer experience that meets the expectations of its diverse customer base. Faysal Bank envisions a future whereby it will continue to be a catalyst for positive change, fostering modern financial well-being, globally. Our key driving elements have been the 'go-green' philosophy, encouraging customers to adopt digital channels and reduce reliance on traditional paper-based instruments and traditional modes of transactions. Special emphasis is also placed on credit quality to deliver value across retail, corporate, and SME segments while maintaining robust asset growth.

As part of the bank's strategic plan, geographical expansion is a key focus, complemented by exploring innovative business models, processes, and delivery channels. This approach ensures the provision of 24/7 customer services. Recognizing the growing significance of technology for customers, the bank is leveraging cutting-edge solutions to meet evolving expectations while prioritizing cybersecurity to protect both customers and bank assets.

Efforts are also directed toward refining systems and processes to ensure efficient and effective operations. This includes identifying and addressing operational pain points to enhance performance. Upholding good governance and ethical conduct through a focus on sustainability, balancing economic, social, and environmental objectives, is integral to Faysal Bank.

Ultimately, these strategies are designed to enhance Faysal Bank's brand image, reflecting a positive perception among existing and potential customers, as well as other stakeholders. By offering a diverse suite of tailored financial services, innovative solutions, and competitive rates, the bank positions itself as a reliable and forward-thinking institution. This strategic positioning not only strengthens

customer loyalty but also attracts new clients, positioning Faysal Bank well in an increasingly competitive market.

Methods and assumptions used in compiling the indicators

The Bank utilizes a comprehensive set of Key Performance Indicators (KPIs) to evaluate the success of both strategic initiatives and routine operational activities. These KPIs are carefully selected to align with the FBL's objectives, offering a clear and accurate picture of its financial health, operational efficiency, and competitive positioning. The FBL monitors a variety of traditional financial ratios, such as growth in deposits and advances, the non-performing loans (NPL) ratio, and the provision coverage ratio, which help assess

asset quality and risk management. In addition, profitability ratios like the net margin, non-markup income to total income, cost-to-income ratio, return on assets (ROA), return on equity (ROE), and earnings per share (EPS) are closely tracked to gauge the FBL's ability to generate income, manage costs, and provide returns to shareholders. Beyond these financial metrics, the FBL also analyzes its market position, comparing its performance to that of competitors and considering broader market conditions, such as regulatory changes and economic trends. This holistic approach enables the FBL to make informed, data-driven decisions that support sustainable growth and maintain a competitive edge in the market.

Factors Impacting Strategy and Resource Allocation

Factors	Effects on Strategy & Resource Allocation	Current Resources	Future Allocation Plans
Customer Expectations and Continuous Enhancement of Service Quality Standards	Addressing the increasing demand for personalized Shariah-compliant banking experiences by enhancing customer service, improving accessibility, and boosting operational efficiency to optimize resource allocation.	Standardized Shariah-compliant banking systems, ensuring seamless and efficient financial services for its customers. Focus on automated monitoring platforms across various channels and products to enhance customer satisfaction and enhance quality of service.	Enhancing operational efficiencies and reducing service delivery timelines while ensuring continuous 24/7 availability of real-time services and expanding self-service options. Exploring new revenue streams and refining service quality assessment models to enhance customer experiences, alongside hosting seminars and webinars on Islamic Banking. Leveraging artificial intelligence for personalized customer experiences, improved fraud detection, and operational automation.
Technological Changes and Evolving Consumer Behavior	Managing costs through centralization and monitoring, automating manual systems, continuously investing in digital platforms, and developing comprehensive information security policies to ensure data integrity and confidentiality. Enhancing Islamic digital banking platforms for seamless experiences while strengthening cybersecurity frameworks to protect data and comply with Islamic financial standards.	Integrated mobile banking solutions, fintech partnerships, and advanced technologies such as AI, big data, and machine learning into operations to enhance banking services. Continuously investing in cutting-edge security technologies to protect against cyber threats and ensure a seamless and secure user experience.	Investing in advanced analytics and data integration tailored to Islamic banking and enhancing cybersecurity measures to safeguard operations and improve service execution. Enhancing operational efficiencies and customer experiences through Robotic Process Automation (RPA), while implementing robust risk assessment, identification, monitoring, and mitigation strategies to streamline customer service experience for the customers.
Resource Optimization	Enhancing the bank's capabilities in Islamic finance by attracting top talent and offering extensive professional development opportunities for maintaining leadership in the competitive banking sector.	The bank employs a dedicated workforce of over 10,112 individuals actively engaged in robust upskilling programs. Supported by a diverse and inclusive culture and a strong management team, the organization is well-equipped to drive innovation and growth.	Enhancing Learning & Development programs to include advanced training in AI, technology, regulatory updates, and skill enhancement, ensuring employees remain proficient and adaptable in the evolving financial industry. This proactive approach is aimed at maintaining the bank's competitive edge and fostering innovation.

Competitive advantage in resources/capabilities

Faysal Bank's capabilities, including its skilled workforce, expertise in Islamic banking, diverse product portfolio and advanced digital infrastructure, combined with its resources such as financial stability, extensive network, and strong regulatory compliance, provide the bank with a sustainable competitive advantage. By leveraging these strengths, Faysal Bank creates significant value for its customers and stakeholders, ensuring long-term growth and profitability. The

bank's investment in technology and human capital enhances its service delivery, operational efficiency, and compliance with Shariah principles, fostering long-term customer satisfaction and loyalty. Through its comprehensive range of Shariah-compliant products and digital banking initiatives, Faysal Bank continues to strengthen its market position and drive customer loyalty, contributing to overall value creation and a growing market share.

Key Performance Indicators (KPIs) – Achievements and Future Relevance

Strategic Objectives	Plans/Initiatives for Meeting Objectives	KPIs	Future Relevance
1. Sustainable Growth in Deposits, Lending, Financing & Profitability	• Increase market share in deposits, consumer lending, SME financing, home remittances, and profitability. • Strategic expansion in branch network. • Focus on acquiring high net worth clients, diversifying product portfolio, and implementing targeted segment sales approaches. • Marketing initiatives emphasizing Shariah-compliant products, personalized customer service, and technological innovation.	Market Share Growth (ROA, NFI, ADR, CASA, Deposits & Advances)	✓
2. Focus on Corporate and SME Banking	• Develop financial products that cater to industries like agriculture, manufacturing, and services. • Third party partnerships to enhance Agri portfolio sourcing as per SBP guidelines. • Leverage branch-SME nexus to improve SME customer relationship management and assistance. • Offer trade finance, working capital financing, and other specialized solutions designed for the unique needs of SMEs.	SME Loan Portfolio Growth Revenue from Corporate and SME Banking	✓
3. Accelerate Technological Adoption and Innovation	• New initiatives focused technology to enhance customer experience across all channels i.e. Branch banking, digital platforms, WhatsApp banking etc. • Automate routine tasks such as customer onboarding, loan approvals, and fraud detection using AI-powered systems. • Use of RPA, cloud computing and big data analytics tools to optimize back-office operations and reduce manual errors and operational costs.	Customer Experience Improvements with Technology System Downtime Due to Technological Failures	✓
4. Improve Customer Experience and Brand Loyalty	• Invest in 24/7 customer support through multiple channels like chatbots, social media, phone lines and WhatsApp Banking ensuring reduced complaint resolution time. • Regularly collect and act upon customer feedback to improve the bank's products, services, and overall customer experience. • Use data analytics to offer personalized banking solutions and promotions based on customer preferences and behavior.	Brand Equity Index Net Promoter Score (NPS) Customer Retention Rate	✓

Strategic Objectives	Plans/Initiatives for Meeting Objectives	KPIs	Future Relevance
5. Promote Sustainable Banking and Environmental, Social, and Governance (ESG) Initiatives	- Offer eco-friendly loans and investment opportunities by introducing Green Banking products. - Publish detailed ESG reports that highlight the bank's sustainability efforts, such as carbon footprint reduction, community initiatives, and diversity programs. - Establish social initiatives and community engagement programs aimed at improving education, health, and local economies.	Green Loan Volume Community Engagement Impact Reduction in Carbon Footprint	✓
6. Strengthening Risk Management Framework	- Implement stronger AML measures and ensure compliance with international standards to prevent financial crimes. - Set up an advanced cybersecurity operations center to monitor and respond to potential threats in real time. - Improve the bank's risk models by integrating big data and analytics for better credit assessment and loan portfolio management.	Non-Performing Loan Ratio Incident Response Time	✓
7. Enhance Operational Efficiency and Cost Management	- Automate back-office processes like loan approvals, account opening, and compliance reporting to reduce manual intervention, speed up service delivery, and cut down costs. - Reduce dependency on legacy systems, which can result in lower IT maintenance costs and improved agility. - Adopt lean principles to improve workflow and eliminate inefficiencies within the organization.	Cost-to-Income Ratio Operational Cost Savings Time-to-Process for Transactions	✓
8. Strengthening Digital Transformation and Financial Technology (Fintech) Adoption	- Create a fully integrated digital banking platform that offers mobile banking, online banking, and WhatsApp Banking with enhanced user experience. - Collaborate with fintech companies to offer innovative products like digital loans, mobile payments, and other value-added services. - Leverage artificial intelligence for personalized customer experiences, smarter fraud detection, and operational automation. - Increase investments in cybersecurity to ensure safe and secure online transactions, thereby increasing consumer confidence in digital banking.	Digital Banking Adoption Rate Digital Transactions Volume Cybersecurity Incident Rate	✓
9. Increase Employee Efficiency & Association	- Attract top talent from diverse backgrounds and implement continuous learning programs for all employees. - Establish a holistic employee well-being program that focuses on mental health, physical health, and work-life balance, ensuring employees remain motivated and productive. - Promote a diverse and inclusive workplace by setting measurable goals for gender, cultural, and professional diversity. - Conduct regular employee surveys to gauge satisfaction, gather feedback, and address concerns proactively.	Employee Retention Rate Employee Satisfaction Survey Diversification Ratio	✓

Board Strategy to Overcome Liquidity Problems

Faysal Bank's Board implements a proactive strategy to manage liquidity challenges, ensuring the bank's financial stability and operational resilience. Additionally, Faysal Bank employs a formal Asset-Liability Committee (ALCO) process, which plays a significant role in the regular monitoring and

management of the bank's liquidity. This structured approach ensures that all aspects of the bank's liquidity are consistently reviewed and managed, aligning with regulatory requirements and internal risk thresholds. The ALCO process enables the bank to maintain financial equilibrium and respond proactively to market changes and liquidity demands.

Business Rationale for Major Capital Expenditure/Projects

Faysal Bank realizes the importance of capital expenditure and in view of this has adopted in-depth evaluation procedures to assess all types of capital expenditure requirements before obtaining final endorsements from the Board. During the year, the bank's capital expenditure amounted to over Rs. 13.7 billion and was primarily directed towards acquisition of land & building for business expansion, renovation, improvement of digital framework and strengthening of IT infrastructure. A detailed disclosure of fixed asset is given in the financial statements.

Capital Expenditures Planned for Next Year

The Bank has budgeted capital expenditure of Rs. 19.3 billion for calendar year 2026. This would primarily be invested in expanding our branch network, continuous improvement in our IT platforms, safeguarding our existing infrastructure / relationships from growing threats on cyber security front along with routine upgrades and replacements to ensure smooth operations

Risks and Opportunities

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Risk and Opportunities

Risk and opportunity management is one of the key activities managed by the Bank through a Board approved Integrated Risk Management framework. All major risks are monitored regularly by various management committees such as Country Credit Committee (CCC), Enterprise Risk Management Committee (ERMC), Assets and Liabilities Committee (ALCO), Investment Committee (IC), IT Steering Committee (ITSC) and Compliance & Fraud Risk Committee (C&FRC) within their respective areas.

Risk Management Framework

Risk Management framework has been implemented across the bank in line with the policies approved by the Shariah Board & Board of Directors (BoD). The primary objective of this architecture is to inculcate risk management into the organizational flows to ensure that risks are accurately identified & assessed, properly documented, approved, adequately monitored & managed in order to ensure that the risk taking activities are in line with the guidelines approved by Shariah Board & BoD.

Risk Management framework is integrated with the overall strategy of the Bank, including management of capital. This ensures that risks assumed in pursuit of Faysal Bank's strategic objectives are consistent with the BoD's desired risk appetite.

The Risk Management framework shall, at all times, comply with the local regulations, particularly relating to implementation of applicable Basel frameworks or other generally accepted risk management practices within the banking industry. Any material exception to the risk management policies and tolerances shall be reported to the senior management/ BoD who in turn must trigger appropriate corrective measures. These exceptions should

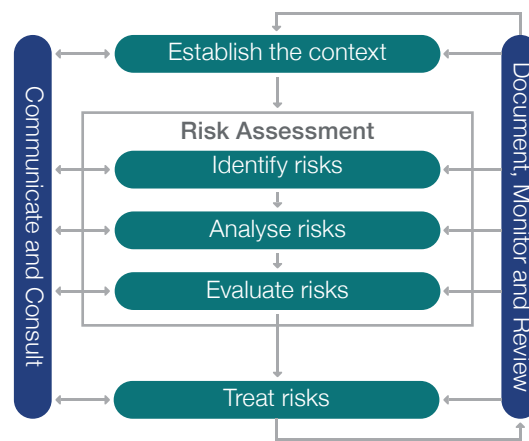


also serve as an input to judge the appropriateness of systems and procedures relating to risk management.

The components of the Bank's Risk Management Framework and their essential features are as follows:

Risk Management Process

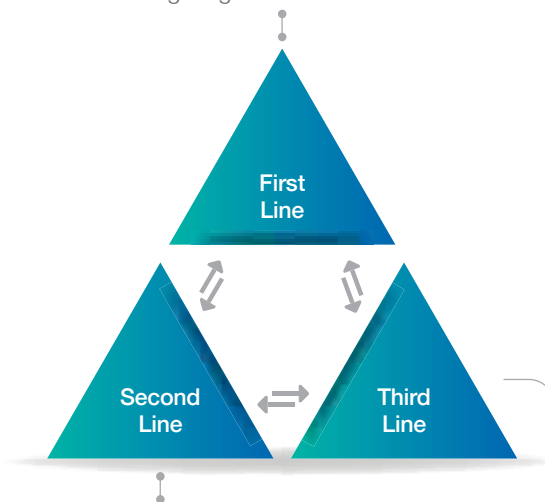
The main elements of FBL's risk management process are as follows:



The Three Lines of Defense

Front-Line Operations

Directly deals with risks in daily activities, identifying, assessing, and mitigating risks in their areas.



Risk Management & Compliance

Establishes policies, monitor risks, and ensures adherence to regulations and internal controls.

Internal Audit

Provides assurance and evaluates effectiveness of risk management and control processes.

Risk Management Structure

The main elements of FBL's risk management process are as follows:

Board of Directors

Board Committees:

Board Risk Management Committee (BRMC)
Board Audit & Corporate Governance Committee (BACGC)
Board Strategy Committee (BSC)
Board Information Technology Committee (BITC)
Board Sustainability & Development Committee (BSDC)
Recruitment, Nomination & Rewards Committee (RNRC)

Risk Management Group

Risk Divisions:

Corporate & FI Risk Management
Commercial Banking, SME and Agri Risk Management
Retail Risk Management
Enterprise Risk Management
Information Security
Risk Policy, Analytics & ESG

Senior Management

Management Committees:

Senior Management Committee
Enterprise Risk Management Committee
Country Credit Committee
Asset Liability Committee
Investment Committee
IT Steering Committee
Compliance & Fraud Risk Committee
Management Strategy Committee

Risk Strategy and Appetite

Addressing risk aspects within business strategies is a continuous process and a practice at FBL.

A bank-wide strategic planning process is carried out ensuring participation of all business/ support units of the Bank at various stages. Macro-economic and industry specific factors are considered and inputs and assumptions are discussed and challenged. After discussions and

agreements, profitability targets are set and growth in assets and liabilities is projected for the planning horizon. Based on the future projections, capital needs are also determined. The basic idea is to define business strategies that are inherently derived by the Bank's risk appetite.

Regarding risk management, various initiatives to further evolve the overall risk management environment, architecture and infrastructure are also addressed. Risk strategies are defined in detail in the respective risk management policies.

Key Risks

Risk	Description
Credit Risk	Credit risk represents the potential for financial loss due to a counterparty's failure to meet its contractual obligations. At Faysal Bank, this risk is managed through a well-defined framework supported through policies and procedures that align with our strategic objectives. We follow a strong underwriting process which is supported by a relationship management team to ensure a deep understanding of our obligors' financial health and business dynamics. Our financing strategy prioritizes cash flow-based financing, to ensure that repayment is primarily driven by the customer's operating performance, while also securing exposure through a collateral which acts as a secondary defense. We continue to keep a close tab on these risks, monitoring portfolio trends rigorously and reporting the same to the Board Risk Management Committee (BRMC) to ensure oversight and alignment with our risk appetite.
Shariah Non-Compliance Risk (SNCR)	As a full-fledged Islamic Bank, SNCR is our most critical unique risk, which may entail potential financial loss or reputational damage due to failure to comply with Shariah principles. This risk can originate internally from process failures or product design errors, and its materialization may result in income being transferred to charity, thereby eroding shareholder returns and customer trust. Our defense against this risk is a robust Three-Tier Shariah Governance structure comprising of the Shariah Board, a Resident Shariah Board Member (RSBM), and a dedicated Shariah Compliance Department, which ensure that strict protocols are placed at product and transactional level to mitigate this risk.
Operational Risk	Operational risk is the risk of loss resulting from inadequate internal processes, people, and systems, or from external events. In the current landscape, this risk has been expanded to include physical risks from climate events, such as damage to branches and data centers caused by floods, storms, or other natural disasters. To address these risks, the Bank has updated its Business Continuity Plan (BCP) to include procedures for managing climate related disruptions. The Bank also employs a rigorous risk management framework, utilizing a comprehensive Risk Inventory to identify and map potential vulnerabilities across the organization. We actively monitor Key Risk Indicators (KRIs) to detect early warning signals of rising risk levels and conduct regular Risk and Control Self-Assessments (RCSAs) to evaluate the ongoing effectiveness of our internal controls.

Risk	Description
Market Risk	Market risk arises from adverse movements in key market variables such as Sukuk yields, foreign exchange rates, and equity prices, which may negatively affect the Bank's earnings and capital. To mitigate these risks, the Bank operates under a robust governance structure, with the Assets and Liabilities Committee (ALCO) and Enterprise Risk Management Committee (ERMC) providing continuous oversight of the investment portfolio and market exposures to ensure optimization of return within the Bank's approved risk appetite. The Bank has also established a comprehensive Equity Framework to manage price volatility through strict internal limits and sector-wise caps. In addition, rate sensitive asset-liability mismatches are proactively monitored and managed to maintain structural stability against profit-rate fluctuations. As a dedicated Islamic bank, we further enforce rigorous Pool Management protocols for Mudaraba-based deposits, ensuring fair and transparent profit distribution while carefully managing the risk-return profile for our depositors.
Liquidity Risk	Liquidity risk refers to the potential inability of the Bank to meet its financial obligations as they fall due, without incurring unacceptable losses. This risk may arise from systemic liquidity stress or sudden large-scale deposit withdrawals. To mitigate liquidity risk, Faysal Bank maintains Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) well above regulatory requirements, supported by a diverse and granular deposit base, ensuring resilience under both normal and stressed conditions.
Environmental & Social Risk Management	ESRM encompasses the actual or potential adverse effects on the environment arising from the Bank's lending activities - including the risk of financing projects that violate national environmental laws and the impact of Bank's own operations on the environment. Failure to manage this risk can lead to financial loss, severe reputational damage and regulatory penalties. To address this risk, the Bank has aligned its Green Banking Policy with the SBP's Green Banking Guidelines and the Environmental & Social Risk Management Implementation Manual. For all financing activities above a defined threshold, mandatory Environmental & Social Risk Ratings (ESRR) are conducted to keep a tab on overall portfolio quality from E&S perspective. At Faysal Bank, we understand that risks emanating from the impact of climate-change also present opportunities to expand green financing aligned with Pakistan Green Taxonomy, support climate-resilient businesses, and integrating sustainability into product offerings and our operations. In this context, the Regulatory Framework for Effective Management of Climate-Related Financial Risks, issued by the State Bank of Pakistan (SBP) in December 2025, will act as our primary guiding framework for integrating these considerations into our governance and risk management systems.
Cyber Security Risk	Cybersecurity risk is a fundamental threat to our financial stability, operational continuity, and brand equity. As cyber threats and ransomware evolve, protecting our Intellectual and Reputational Capital remains a top strategic priority. To mitigate these risks, the Bank employs a Defense-in-Depth strategy, leveraging a multi-layered & segmented architecture, featuring Next-Gen Firewalls and 24/7 Security Operations Centre (SOC) monitoring. By integrating AI-driven threat detection and progressing towards a Zero-Trust Framework, we ensure every digital interaction is rigorously verified, maintaining full alignment with SBP technology & cybersecurity governance standards.

Internal Risks and Opportunities

The bank continuously managed internal risks while seizing opportunities to enhance its operational efficiency and market position. Key internal risks include process inefficiencies that disrupt service delivery and impact on customer satisfaction, as well as posing challenges in maintaining a skilled workforce in a competitive talent market. On the opportunity side, the bank focused on leveraging technology to improve process automation and data analytics, which enhanced decision-making and customer engagement. Additionally, by fostering a culture of continuous learning and development, the bank mitigated the risk of skill gaps and positioned itself as an attractive employer, attracting top talent and driving innovation from within.

Faysal Bank is strategically positioned to capitalize on digital transformation opportunities by investing in AI technologies, which promise to enhance operational efficiency, improve customer service, and expand market share, thus driving increased profitability and capital availability. The bank is also diversifying its product portfolio with green financing and innovative digital banking solutions to attract new demographics and build sustainable revenue streams. Concurrently, the bank faces inherent risks in these endeavors, including the rapid pace of technological change that could outpace its adoption capabilities, and the potential regulatory challenges associated with new financial products. By continuously investing in employee training and development, Faysal Bank aims to bolster its workforce's ability to navigate these challenges, thereby improving overall operational performance and capital efficiency.

External Risks and Opportunities

Economic downturns and increasing competition from fintech firms present challenges to Faysal Bank by affecting market share and profitability. However, these challenges also drive innovation within the bank, leading to opportunities for growth and differentiation. Geopolitical risks and environmental changes prompt the bank to strengthen its crisis management capabilities and sustainability initiatives, further solidifying its commitment to corporate responsibility.

Faysal Bank is well-positioned to seize opportunities in the burgeoning field of sustainable and green financing. By offering ESG-focused products, the bank not only attracts a broader range of institutional investors and eco-conscious customers but also aligns itself with global sustainability goals, enhancing its corporate image. Regulatory incentives for green investments reduce costs and improve profitability, while partnerships with fintech firms and tech startups allow Faysal Bank to tap into cutting-edge technologies and expand into new customer segments.

Sustainability Reporting and CSR

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Sustainability & CSR Report

As an Islamic financial institution, our business practices are deeply embedded with the principles of Shariah, which emphasize social justice, environmental stewardship, and ethical responsibility. Guided by these principles and aligned with global frameworks such as the United Nations Sustainable Development Goals (SDGs), we are strongly committed to driving meaningful impact across the economic, social, and environmental spheres.

The principles of Shariah not only guide our financial operations but also form the foundation of our commitment to creating long-term value for our customers, communities, and the Planet. With a deep-rooted belief in social justice, equitable resource distribution, and environmental preservation, we are privileged to share the initiatives taken by the Bank in line with our sustainability agenda for the year 2025.

Through this report, we aim to provide a transparent account of our sustainability governance, initiatives, and frameworks, showcasing our efforts to build an inclusive, resilient, and responsible institution. This document reflects our dedication to balancing financial growth with societal well-being and environmental preservation—an ethos that forms the essence of Islamic banking.

Governance Structure

Recognizing the importance of integrating sustainability into core business strategy, the Board of Directors have established the Board Sustainability & Development Committee (BSDC). The BSDC is responsible for providing strategic direction and oversight on the Bank's sustainability initiatives, ensuring alignment with regulatory frameworks, Islamic principles and global standards.

Roles & Responsibilities

The BSDC plays a pivotal role in shaping the Bank's sustainability agenda by overseeing the development and implementation of its Environmental, Social and Governance (ESG) framework. Responsibilities of the Committee include defining and reviewing the Bank's sustainability strategy, ensuring alignment with the United Nations Sustainable Development Goals (SDGs) and steering the development of ESG metrics for the Bank. The Committee also provides strategic oversight for key initiatives such as reducing the Bank's environmental impact, promoting diversity, equity and inclusion, advancing Corporate Social Responsibility (CSR) programmes and supporting climate action through innovative financial products and partnerships. It also ensures stakeholder engagement, compliance with regulatory guidelines and integration of ESG considerations into our decision-making processes.

Composition and Leadership

The BSDC comprises of five members, including two Independent Directors who bring diverse expertise and perspectives. The Chairperson is a Non-Executive Director, highlighting the Bank's commitment to robust governance and sustainable growth.

Name	Role	Designation
Mian Muhammad Younis	Chairperson	Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member	Non-Executive Director
Ms. Fatima Asad Khan	Member	Independent Director
Ms. Sadia Khan	Member	Independent Director
Mr. Yousaf Hussain	Member	Executive Director

Authority and Independence

The BSDC operates with full independence, deriving its authority from the Board of Directors. It has the discretion to engage with regulatory authorities, external experts and internal teams to fulfill its mandate. The Committee's work underscores our dedication to embed sustainability into governance and operational frameworks, fostering a culture of responsibility, accountability and innovation.

Management-Level ESG Committee

To ensure seamless execution of sustainability initiatives, a Management-Level ESG Committee has also been constituted. Chaired by the Chief Risk Officer, this Committee plays a crucial role in operationalizing the Bank's sustainability agenda and aligning it with regulatory requirements, stakeholder expectations and the Bank's strategic priorities. Other members include Head of Corporate & Investment Banking, Chief Compliance Officer, Head of Operations, Head of HR and Chief Financial Officer.

The Management-Level ESG Committee is further responsible for implementing the Bank's Environmental, Social and Governance (ESG) framework by driving key initiatives, conducting gap analyses and ensuring compliance with the guidelines issued by the regulatory authorities. It facilitates cross-departmental collaboration, tracks progress on ESG initiatives and integrates ESG considerations into the Bank's financing, investment and operational decisions.

Green Banking

In alignment with the State Bank of Pakistan's (SBP) Green Banking Guidelines, our Green Banking Policy demonstrates a commitment to embed sustainable practices across our operations and financing activities. The policy is structured around three main pillars: Green Business Facilitation, Own Impact Reduction and Environmental & Social Risk Management (ESRM);

1. **Green Business Facilitation** encourages financing for sustainable projects - including renewable energy, energy efficiency and climate-resilient infrastructure - to support Pakistan's commitments under the Paris Agreement and the transition to a low-carbon economy.
2. **Own Impact Reduction** focuses on minimizing the Bank's operational carbon footprint by adopting energy-efficient technologies, optimizing resource consumption and incorporating green practices in daily operations.

3. **Environmental & Social Risk Management** establishes a comprehensive ESRM framework to ensure that environmental and social risks are identified, assessed and mitigated in financing decisions.

Through the Green Banking Policy, Faysal Bank is not only addressing its regulatory responsibilities but also fostering long-term value creation by aligning its operations with sustainable development goals. The involvement of our Board Sustainability & Development Committee (BSDC) and ESG Committee in these initiatives further underscores the Bank's commitment to achieve sustainable growth while reducing environmental and social risks.

Moving forward, the Bank aims to further strengthen this framework by integrating the Pakistan Green Taxonomy into credit processes. Furthermore, we are committed to implement the SBP's Guidelines on Climate Stress Testing and the Regulatory Framework for Effective Management of Climate-Related Financial Risks to ensure a resilient and compliant risk management ecosystem.

Environmental & Social Risk Management Procedures

The Bank has developed a comprehensive Environmental & Social Risk Management (ESRM) procedures, which are aligned with the SBP's ESRM Implementation Manual for Financial Institutions. These procedures ensure that environmental and social considerations are integrated into the Bank's financing processes.

The framework provides guidance to conduct due diligence across the financing portfolio through a dedicated toolkit that includes an applicability matrix, exclusion criteria and specialized checklists to help Business and Risk teams in evaluating potential E&S issues associated with financing activities. Furthermore, the procedures also include a specialized E&S rating model which allows the Bank to classify transactions by their risk level, to ensure that higher-risk cases receive appropriate senior-level scrutiny and attention through a defined escalation matrix.

The processes also offer step-by-step guidance for Business and Risk teams to conduct thorough E&S assessments throughout the financing lifecycle, to ensure alignment with regulatory standards and the Bank's sustainability goals.



Climate-Smart Portfolio Tagging & Monitoring

To enhance portfolio visibility and climate risk integration, the Bank has implemented a tagging mechanism within its Loan Origination System (LOS) to identify Climate Smart Activities (CSA). This integration allows the Bank to track exposure to projects that contribute to climate adaptation and mitigation, such as Renewable Energy, Water Efficiency and Climate-Smart Agriculture.

The classification process involves a coordinated effort between Business Units and the Risk Management Group (RMG). While this system currently serves as a tool to build internal understanding of the portfolio, the Bank intends to modify this structure further. Moving forward, the framework will be progressively refined to ensure alignment with the classification standards defined under the Pakistan Green Taxonomy.

Climate-Related Credit Risk Assessment

As part of its commitment to integrate climate considerations into credit risk management, the Bank has conducted a retrospective review of the portfolio from 2022 onwards, to identify Non-Performing Financing (NPF) potentially attributable to climate events such as floods, droughts, or other natural disasters. This assessment is now being performed on a quarterly basis, to ensure timely identification of emerging climate-linked credit risks.

Furthermore, with the recent issuance of the Guidelines on Climate Stress Testing by the State Bank of Pakistan (SBP), the Bank will leverage this data to conduct formal stress testing in alignment with the regulatory requirements.

Environmental & Social Risk Analysis

To further strengthen risk identification capabilities, the Bank has conducted a sectoral analysis from Environmental & Social Risk perspective. This assessment evaluates industry-specific sensitivities to understand how environmental & social risks vary across the financing portfolio and identifies high-impact sectors that require enhanced monitoring.

The analysis serves several critical functions in portfolio management:

- **Risk Concentration:** Identifies areas where environmental & social risks are concentrated, allowing for more informed credit decision-making and the integration of environmental & social considerations into standard risk practices.
- **Capacity Building:** Highlights areas where targeted capacity building is necessary to support a transition to more sustainable operations.
- **National Alignment:** Strengthens the Bank's ability to align its long-term financing strategy with national sustainability objectives and the Pakistan Green Taxonomy.

Furthermore, following the issuance of the Regulatory Framework for Effective Management of Climate-Related Financial Risks by the State Bank of Pakistan (SBP), we expect that our risk management framework will be strengthened further to ensure alignment with these evolving regulatory requirements.

Corporate Social Responsibility

The Waqf Faisal Trust

Waqf Faisal Trust is founded on the Islamic principles of compassion, social justice and collective responsibility. Created as a dedicated charitable entity, its core objective is the grant of aid, assistance and relief for the betterment of underserved segments of the Pakistani and broader Muslim community, with a strong focus on education, healthcare and essential social services.

Over the years, the Trust has expanded significantly in both scope and impact. In 2025 alone, over PKR 150 million was disbursed to support meaningful, high-impact initiatives not only across our footprint but beyond — a testament to its growth from a modest fund into a powerful catalyst for societal upliftment.

Guided by its founding purpose, Waqf Faisal Trust plays a dual role in the Bank's sustainability ecosystem. It strengthens our support for impact partners working in ensuring no poverty, providing good health & well-being, quality education, gender equality, access to clean water and sanitation and sustained climate action, while also serving as a compassionate safety net for individuals connected to the Bank. Through the Trust, assistance is extended to support staff of the Bank, helping them navigate critical needs such as emergency medical treatments, recovery after accidents or natural disasters, loss of property and even home construction during times of hardship.

Rooted in values of empathy, dignity and shared prosperity, Waqf Faisal Trust embodies the Bank's belief that true progress is measured not only by financial success but by the

lives uplifted along the way. Its continued evolution reflects our commitment to shaping a society where opportunity, empowerment and lasting progress are accessible to all.

CSR & Sustainability Philosophy

At Faysal Bank, our approach to CSR and sustainability is shaped by the belief that societies flourish on the fundamentals of trust and that every action must reflect the principles of justice, compassion, responsible conduct and equitable prosperity, the very values that lie at the heart of Islamic banking. Guided by Shariah, we view sustainability not as a parallel agenda but as an expression of our faith-driven responsibility to nurture human dignity, uplift underserved communities and safeguard the environment entrusted to us by Allah.

Our philosophy begins with people. We believe that every individual deserves opportunity, access and respect. This conviction informs our commitment to expanding quality education, strengthening good health & well-being, reducing inequalities, empowering gender equality, enabling access to clean water and sanitation and ensuring that the most vulnerable among us are not left behind. Through strategic partnerships and long-term investments, we strive to build pathways that help communities rise with honour and self-reliance.

We recognise environmental stewardship and social responsibility as inseparable moral obligations, grounded in our belief that sustainable business success is intrinsically linked to societal well-being. Through clean energy initiatives, green infrastructure, responsible operations and structured funding mechanisms such as the Waqf Faisal Trust, supported by strong governance and alignment with the UN Sustainable Development Goals, we ensure our CSR efforts remain strategic, transparent and impact-driven. Guided by clear intention, we act as a partner in progress, advancing economic inclusion, enabling communities and contributing to a more resilient Pakistan through ethical, inclusive and transformative growth that upholds human dignity and shared prosperity.

Our Impact Partners



Awards & Recognition

NFEH:

Faysal Bank was honoured with multiple awards at the 17th Annual CSR Summit 2025, organised by the National Forum for Environment & Health (NFEH). The recognition highlights our values-driven approach to financial inclusion, environmental stewardship and community development, with initiatives spanning education, healthcare, disaster relief and alignment with the UN SDGs.



GDEIB:

At the GDEIB Awards 2025, Faysal Bank secured 14 awards including 10 in the Best Practice category and 4 in the Progressive category. With inclusivity scores rising to 88% in 2025, FBL ranked among the Top 10 Most Inclusive Organisations and the Top 2 Most Inclusive Commercial Banks in Pakistan, reaffirming our leadership in diversity, equity and inclusion.



Pakistan PWDs Finclusion Awards 2025

Faysal Bank received the award for the Most Disability-Friendly Branch Network and was named Runner-Up for Excellence in Employment of Persons with Disabilities (PWDs) at the Pakistan PWDs Finclusion Awards 2025. This recognition reflects our commitment to building accessible banking services and fostering inclusive employment opportunities.



Faysal Bank – Green Deal of the Year

Faysal Bank was awarded “Green Deal of the Year (Pakistan)” at the Asian Banking & Finance Awards 2025 in recognition of our lead role financing K-Solar’s green project financings, championing sustainable power generation projects across the country.



The Asset Triple A – Renewable Energy Deal of the Year

Faysal Bank earned international recognition at The Asset Triple A Sustainable Infrastructure Awards 2025, winning three prestigious Deals of the Year including the Renewable Energy Deal of the Year. These accolades highlight our commitment to excellence in sustainable finance and our role as a trusted partner in driving green infrastructure projects.



Our Initiatives — 2025 Highlights

SDG-1: No Poverty

i. Saylani Welfare International Trust

The Bank's partnership with Saylani Welfare International Trust is centered on promoting economic self-reliance among underserved populations. Through this collaboration, individuals are supported in building sustainable livelihoods—whether by receiving tools, training, or donor-backed income-generating assets. Through its continuous support for Saylani, the Bank is not only bringing inclusivity through food and ration to deserving households across the country, but also providing opportunities to earn a livelihood through initiatives like the “Apna Rozgar” rickshaw scheme.

By empowering people to earn with dignity, Faysal Bank continues to play an active role in fostering social mobility and strengthening community resilience.

ii. Akhuwat Foundation

In partnership with the Akhuwat Foundation, the Bank is enabling interest-free solar financing to individuals in need to expand access to renewable energy solutions for low- and middle-income households. The initiative especially benefits women educators and communities seeking sustainable, affordable energy alternatives. By combining financial inclusion with environmental stewardship, the collaboration represents a forward-looking model for equitable, impact-driven development.



iii. Charity Right

Our support for Charity Right Pakistan this year help fight hunger and empower underprivileged families with dignity and opportunity. Charity Right Pakistan currently provides monthly rations to 5,000+ families, valued at PKR 4,000 per household, through its RightPay Card programme, allowing beneficiaries to shop for essentials at designated Right Choice Stores instead of queuing for ration bags. With 12 stores already serving 7,000+ customers each month, the initiative ensures access to affordable groceries at 5-15% discounted rates. Complementing this, the Breaking the Poverty Cycle Programme equips beneficiaries and their children with vocational skills, enabling them to earn independently and move beyond dependency. By supporting Charity Right's mission, the Bank is enabling food security, restoring dignity and investing in skills that create lasting pathways out of poverty.

iv. Karachi Relief Trust (KRT)

In response to devastating floods that affected families across Pakistan, particularly in rural Sindh and Balochistan, Faysal Bank partnered with KRT to support long-term rehabilitation. Through this effort, over 30 homes were built for displaced families — providing safe shelter, security and a renewed sense of belonging.

SDG 3 – Good Health & Wellbeing

i. Indus Hospital

As the pioneer supporter of Indus' “Own a Day,” initiative, Faysal Bank has been contributing PKR 35 million annually since 2024 on the first day of Ramazan, covering the institution's complete operational expenses for one full day. In 2025 alone, this remarkable contribution enabled thousands of patients to receive free, high-quality healthcare across critical areas, including care for 100 inpatients; 67 surgeries and procedures; 90 safe deliveries; 171 chemotherapy patients; 27 dialysis patients; 900 ER patients; 19 orthotic & prosthetic devices; 1,000 consulting clinic patients; and 1,122 vaccination patients. By funding a single day, the Bank helped bridge Pakistan's significant healthcare gap, transforming the lives of countless patients, aged from just a month old to 86 years old, reinforcing our role as a strategic partner in advancing equitable healthcare.



ii. Kidney Centre

Between 1985 and today, the Kidney Centre in Karachi has grown from a modest establishment to a 100-bed charitable institution. Introducing a Urodynamic Testing Machine, supported by Faysal Bank, has strengthened its ability to diagnose and treat lower urinary tract disorders more accurately, ailments that affect large numbers of people in Pakistan. Given that The Kidney Centre already handles over 400,000 diagnostic procedures and treats more than 600,000 patients to date, this machine facilitates thousands of patients each year. Reducing delays in patient referrals, improving treatment plans and enhancing quality of life for patients, this equipment enables tailored interventions. With Faysal Bank's support, the Kidney Centre is poised to close critical diagnostic gaps in urology care across Karachi and beyond.



iii. National Institute of Child Health (NICH)

In 2025, our continued support to the National Institute of Child Health—Southern Pakistan's largest public sector pediatric hospital—helped strengthen critical child healthcare services catering to over one million patients annually, including those traveling from remote regions such as Balochistan and lower Punjab. Besides financial support, the Bank's employees conducted a lively volunteering session at the Institute, contributing their time and efforts, in service of the children that visit the hospital. NICH houses the country's largest pediatric emergency department and neonatal incubator facility, playing a vital role in saving young lives every day.



iv. National Institute of Cardiovascular Diseases (NICVD)

In alignment with our mission to strengthen healthcare access across Pakistan, the Bank has undertaken extensive renovations at NICVD, one of the country's most vital cardiac care institutions. This includes an extensive expansion project of the Emergency department at the institution that caters to critical patients 24/7. These upgrades aim to enhance patient comfort, improve facility efficiency and ensure high-quality medical services for all, particularly those in need. Through this initiative, the Bank reaffirms its dedication to supporting public health infrastructure and enabling better outcomes for cardiac patients nationwide.



v. Dawood Global Foundation

Through its partnership with the Dawood Global Foundation, Faysal Bank contributes to the LADIESFUND Breast Cancer Endowment Fund, a program that provides critical financial assistance for biopsies, surgeries and chemotherapy treatments. The initiative ensures that women battling breast cancer, particularly from low-income backgrounds, receive timely and life-saving medical care. This collaboration reflects the Bank's commitment to women's health and its broader goal of fostering well-being and dignity across communities.

The Bank is also providing 100 wheelchairs to those in need through the Dawood Global Foundation, bridging a gap for differently-abled individuals in completing their daily efforts.



vi. Patients Aid Foundation

At the Jinnah Postgraduate Medical Centre (JPMC), Faysal Bank is collaborating with the Patients Aid Foundation to renovate and upgrade the Women's Emergency Ward. The project aims to create a more modern, efficient and compassionate healthcare environment for female patients in critical need. Through this initiative, the Bank is helping improve emergency response capacity and uphold the right to quality healthcare for women in Pakistan.

Over the years, the Bank has also extended its supported through the annual "Bike-a-Cause" event, an annual gathering of cyclists, corporate leaders and members of the civil society, rallying to raise awareness and contributions for PAF's efforts. Last year, the fundraiser focused on generating support for Thalassemia care whereas this year, it facilitated the construction of a dedicated Breast Cancer Bay that will be run exclusively by female staff.



vii. Pink Ribbon

Faysal Bank is privileged to be supporting Pakistan's first dedicated breast cancer hospital established by Pink Ribbon. With the objective of offering free-of-cost diagnostic and treatment services to underprivileged patients, this state-of-the-art facility is the first of its kind in the country. The hospital is fully operational and delivers a full range of services including OPD consultations, mammography, ultrasound, surgery, chemotherapy and inpatient care all under one roof. It has already treated over 20,000 patients so far. Pink Ribbon has also played a strong role in raising awareness, pushing early detection and breaking taboos around breast cancer in Pakistan.

Further, to complement its mission of raising awareness about breast cancer, the Bank donated an ultrasound machine to the Pink Ribbon Hospital as well supporting effortless day-to-day diagnostics.

viii. Saleem Memorial Hospital

Faysal Bank has been associated with Saleem Memorial Hospital, a 350-bed, multi-specialty, not-for-profit hospital in Lahore, offering a wide array of medical services including oncology, cardiac care, emergency services, maternity and obstetrics, orthopedics and women's wellness, among others. Over the past several years, the Bank has extended its support to the Hospital with an emphasis on accessibility and affordability of high quality healthcare for underprivileged patients.

ix. Shalamar Institute of Health Sciences (Shalamar Hospital)

For decades, Shalamar Hospital has remained a vital healthcare institution in Lahore, delivering quality and compassionate treatment to underserved communities. With thousands of patients receiving subsidized or free care every year across critical services — including oncology, cardiology, maternal health and surgeries — the institution continues to stand as a lifeline for vulnerable families.

This year, Faysal Bank once again supported Shalamar Hospital's mission to expand affordable healthcare access and strengthen life-saving medical services for those in need.

x. Kutiyana Memon Association

Kutiyana Memon Association has long remained committed to uplifting underserved communities through education, healthcare and social welfare services. The Association operates reputable schools that provide quality learning for girls, ensuring that young women from modest backgrounds receive equitable academic opportunities.

This year, Faysal Bank extended its support not only for girls' education but also to KMA Hospital, helping provide subsidized and dignified treatment to patients who cannot afford medical care, especially in the adjoining areas of Lyari.

xi. LRBT – Layton Rahmatullah Benevolent Trust

As Pakistan's largest eye-care network, LRBT has treated millions of patients since inception, offering free and high-quality eye surgeries, screenings and vision restoration services to those who cannot afford them. Through its hospitals and clinics across the country, LRBT has prevented blindness and restored sight for countless individuals. Faysal Bank joined hands with LRBT to strengthen this life-transforming mission and help restore vision for vulnerable communities nationwide.

xii. The Health Foundation

Dedicated to fighting Hepatitis B & C across Pakistan, The Health Foundation focuses on prevention, awareness, screening and treatment — particularly in low-income communities. Its programmes strengthen public health and reduce the burden of chronic disease on vulnerable families.

Faysal Bank supported the Foundation's mission to reduce Hepatitis prevalence and ensure timely medical intervention for at-risk populations.

SDG 4 – Quality Education

i. Lahore University of Management Sciences (LUMS)

LUMS is Pakistan's leading business school and for the last few years, the Bank has constantly supported the institution in making high-quality education more accessible and equitable through endowments and scholarships. This year, the Center for Islamic Finance (CIF) at LUMS was supported through an endowment dedicated to advancing education, research and innovation in Islamic Finance, underscoring the Bank's unwavering commitment to the growth and promotion of Shariah-compliant finance in Pakistan.



ii. Institute of Business Administration

Another one of our impactful initiatives this year was the support for renovation of the Faysal Academic Block at IBA's City Campus, an initiative designed to enrich the overall learning environment for students and faculty alike. The

project focuses on modernizing academic spaces, upgrading infrastructure and fostering a more engaging and collaborative atmosphere for higher learning. This effort underscores the Bank's enduring commitment to improving educational quality and nurturing future leaders through access to better academic facilities.

The Bank also partnered with the Center of Excellence in Islamic Finance at IBA to promote research and creation of academic literature on Islamic Finance across the country.



iii. Habib University

In 2025, Faysal Bank continued its longstanding partnership with Habib University through meaningful engagement and advocacy for educational equity. The year was marked by the IIm & Barakah Community Iftar, hosted by Faysal Bank, which brought together over a hundred leaders and changemakers to reaffirm collective commitment to accessible higher education in Pakistan. During the year, our Chairman Board of Directors, Mr. Mian Muhammad Younis, accompanied by the P&CEO Mr. Yousaf Hussain, paid a visit to the Campus, interacting with senior management and touring the state-of-the-art facilities being provided to students. Furthermore, building on three years of impactful collaboration, including scholarships, campus infrastructure support and industry-academia initiatives, this partnership now moves into its next phase with the establishment of the Faysal Bank Recurring Scholarship Fund. This four-year commitment aims to empower 40+ deserving scholars, reinforcing Faysal Bank's belief that inclusive education is central to Pakistan's sustainable progress.



iv. Developments in Literacy

Through our partnership with Developments in Literacy (DIL), we adopted the DIL Amina College in Orangi Town, Karachi ensuring access to quality education for 200+ underprivileged students each year. DIL, a trusted non-profit with a 25-year legacy, currently educates over 61,000 children across 191 schools nationwide, focusing strongly on empowering girls through learning. By supporting this school, the Bank not only covered critical expenses such as teacher training, technology and school supplies but also enabling transformative opportunities for children who might otherwise be left behind. This initiative directly contributes to building a more inclusive and resilient society, empowering the next generation of leaders from one Karachi's most underserved communities.



v. Rahnuma Schools

During 2025, our partnership with Rahnuma Schools helped sustain their mission of providing quality education for underprivileged children. Our support contributed to covering a significant portion of their expansion budget, enabling uninterrupted learning for 75 students across three classes. Through this collaboration, we continue to invest in creating equitable educational opportunities for all. Additionally, the Bank's support facilitated the expansion of the school campus to house more children, providing them with the opportunities they deserve to learn and grow.

vi. Momina & Duraid Foundation – Rabia Basri School

As part of our commitment to improving learning environments and empowering young women through education, Faysal Bank joined hands with the Momina & Duraid Foundation to renovate the Rabia Basri Girls Secondary School in FB Area, Karachi. The initiative provided students with upgraded classrooms, better facilities and a more conducive atmosphere for learning and growth. By investing in the physical transformation of schools, Faysal Bank continues to advance its mission of enabling access, dignity and opportunity for girls' education in Pakistan.



vii. Professional Education Foundation (PEF)

Through our collaboration with the Professional Education Foundation, we are contributing to accessible higher education for deserving youth across Pakistan. Since its inception in 2009, PEF has expanded from 75 fully funded students to over 3,100 students enrolled at 41 public universities, with 3,000+ graduates now part of the national workforce. In 2025, the Bank is funding higher education for an additional 50 students, helping them realize their academic and professional aspirations.

viii. Jamiat Talim ul Quran

Through its ongoing collaboration with Jamiat Talim-ul-Quran, Faysal Bank continued to empower communities in Khyber Pakhtunkhwa and Balochistan by strengthening grassroots education and leadership. During the year, the Bank adopted Maktab Qila Saifullah in Balochistan, trained more than 100 religious scholars and supported the organization's Justuju Programme, which promotes inclusive learning and community engagement. These initiatives reflect Faysal Bank's belief in nurturing knowledge and social harmony in regions that benefit most from long-term investment and development.

ix. Centre for Excellence in Islamic Finance (CEIF) – Institute of Management Sciences

Through its collaboration with the Centre for Excellence in Islamic Finance (CEIF) at IMSciences, Faysal Bank is driving thought leadership and innovation in the Islamic finance sector. The partnership focuses on research, knowledge dissemination and the development of academic literature to strengthen the foundation of Shariah-compliant banking in Pakistan. To date, the initiative has produced 12 working research papers, conducted 4 specialized trainings for PhD scholars and developed 24 case studies on Islamic banking and finance. These efforts reflect Faysal Bank's commitment to nurturing academic excellence and advancing the global discourse on Islamic finance.

SDG 5 – Gender Equality

i. The Citizen's Foundation

The Citizen's Foundation (TCF) is one of Pakistan's largest school system for deserving children who lack the resources to support their education. This year, the Bank supported TCF's Agahi programme in Sindh, which

provides non-formal literacy, numeracy and basic skills training to adult women, out-of-school girls and other marginalized family members of TCF students. Through this programme, learners gain skills such as reading Urdu, basic arithmetic and everyday literacy. Since its inception, Aagahi has reached over 60,000 learners and has been recognized by UNESCO for its effectiveness in enhancing community literacy and empowerment.

Moreover, through Akhuwat Foundation, the Bank has empowered TCF staff to avail interest-free solar financing for their homes, easing their financial burden and giving them more room to grow.

ii. Circle Women Association – Faysal Khud Mukhtar Internship

Through the Faysal Khud Mukhtar Internship Programme, developed in partnership with Circle Women Association, the Bank is nurturing the professional confidence, independence and ambition of young women from underserved communities. Over two successful cohorts in Karachi and Lahore, 100+ women have received hands-on training in essential workplace skills, communication, digital readiness and personal development. More than half of the participants secured internship placements across Faysal Bank's nationwide network, gaining exposure to corporate culture and building meaningful career pathways. The remaining graduates applied their skills in diverse workplaces or pursued entrepreneurship, proving that opportunity generates ripple effects far beyond the Program.



iii. Kutiyana Memon Association

This year, Faysal Bank extended its support for girls' education through the Kutiyana Memon Association (KMA) Secondary School where girls receive equitable rights to high-quality education paving the way for them to become productive members of society.

iv. Behbud Association

Behbud Association has been empowering women across Pakistan for over five decades through vocational training, healthcare services, education and income-generation opportunities. By equipping women with skills such as craft-work, embroidery, textiles and entrepreneurship support, Behbud creates sustainable pathways for financial independence. Faysal Bank supported Behbud's efforts to

create meaningful income avenues for women and amplify platforms for them to showcase and sell their work.

SDG 6 – Clean Water & Sanitation

i. The Citizen's Foundation

In partnership with The Citizens Foundation (TCF), the Bank supported the installation of RO water purification plants across TCF campuses nationwide. This initiative ensures clean, safe water for 10,000+ students and staff, contributing directly to their health, comfort and academic success. With over 500+ glasses of purified water served daily, each sip represents safety, care and a better chance at learning without the burden of waterborne illness.

SDG 10 – Reduced Inequalities

i. NOWPDP

Over the past year, the vehicle funded by Faysal Bank became a critical enabler of NOWPDP's mission to support persons with disabilities. Covering thousands of kilometers, it allowed the team to expand outreach from Karachi to underserved districts of Sindh, including Shaheed Benazirabad, Badin, Tharparkar, Sujawal and Hyderabad. The vehicle played a vital role in advancing the Centres of Excellence for Disability Inclusion (CEDI) in Korangi and Ghorabari, facilitated medical camps, assistive device distribution, ration drives and enabled a landmark One-Window SCNIC camp in Badin that benefited 574 individuals with disabilities. By bridging distances and making services accessible, the vehicle has transformed operational capacity and set the foundation for inclusive schools and community centers in rural Sindh—leaving a lasting impact on both individuals and communities.

The Bank also supported the NOWRally, a Formula-1 inspired event featuring differently-abled drivers with retrofitted rickshaws, to raise awareness and create opportunities of empowerment for individuals with disabilities. At the same time, a number of retrofitted rickshaws were provided to individuals with disabilities to provide them with a respectable way to support their households.



ii. Special Olympics Pakistan

Through our long-standing partnership with Special Olympics Pakistan (SOP) we deepened our commitment to inclusion. Highlights of our work together included:

- **10th SOP Unified Marathon in Karachi:** The Bank supported the flagship unified marathon in Karachi, where around 600 athletes with intellectual disabilities joined thousands of other participants from diverse backgrounds.
- **First-ever Unified Marathon in Lahore:** For the first time, the SOP Unified Marathon was held in Lahore in February 2025 under the Faysal Bank SOP banner. The event drew specially-abled athletes, government officials, high-profile guests and ordinary citizens, symbolizing the Bank's effort to expand inclusivity beyond Karachi. Across both events, participation by specially-abled athletes exceeded 6,000 when combining all categories, with strong visibility from the community and civic leadership.



iii. Transformation International Society

Transformation International works towards youth and community upliftment through education, mentoring, character-building and social development programs. With a focus on under-resourced areas, it empowers young individuals to become positive change-agents in society. Faysal Bank supported the organization's efforts to build confident, ethical and future-ready youth.

iv. LABARD – Lahore Businessmen Association for Rehabilitation of the Disabled

LABARD facilitates the rehabilitation and employment of persons with disabilities by providing mobility aids, vocational training, employment placement and rehabilitation support. Over the years, Faysal Bank has and continues to support LABARD's mission to empower differently-abled individuals through skills, dignity and career opportunities.

v. Karachi Down Syndrome Program (KDSP)

Our partnership with the Karachi Down Syndrome Program (KDSP) continued to empower individuals with Down syndrome through inclusive care and early intervention. With a growing community of over 2,400 individuals, KDSP provides subsidized and free holistic services that promote health, education and social inclusion. The Bank's support is enabling the organization's Healthcare Block, which conducts 500+ clinical sessions annually to deliver specialized early childhood therapies.

Last year, the Bank conducted the "Lehr" workshop at KDSP where products created by the young and brilliant minds at the organization were showcased. More than 2700 products were sold through the shop generating more than PKR 3.6 million for crafters to support themselves and their efforts.

vi. Dawood Global Foundation

The Bank also provided 100 wheelchairs to those in need through the Dawood Global Foundation, bridging a gap for differently-abled individuals in completing their daily efforts which complements our community support partnership with the Foundation.

SDG 11 – Sustainable Cities and Communities

Change Makers – Employee Volunteering Programme

At Faysal Bank, we believe that meaningful change begins with people who choose to serve with purpose. Our "Change Makers" Employee Volunteering Programme embodies this philosophy and our core value of Care by empowering colleagues across the Bank to dedicate their time, skills and compassion toward uplifting communities. Through activities focused on financial literacy, youth empowerment, social development and community well-being, employees play an active role in advancing our mission of fostering dignity, knowledge and opportunity — values deeply rooted in our Shariah-guided commitment to collective good.

In 2025, our Change Makers contributed over 500 volunteer hours across diverse social upliftment initiatives, reflecting a culture of empathy, responsibility and shared progress. From conducting financial literacy sessions in schools and rural clusters to supporting partner organisations working in education, healthcare, disability inclusion and community development, our volunteers continue to demonstrate that small acts of service can create lasting impact. Their dedication strengthens our belief that when individuals come together with sincerity (Ikhlaas) and purpose, they can transform lives and build more resilient, compassionate communities.



SDG 13 – Climate Action

The Citizen's Foundation

Through its ongoing support for TCF, the Bank has so far converted 30 schools across the four provinces to sustainable, green energy cutting more than 50 tonnes of CO2 emissions annually. In addition to these efforts, the Bank continuously conducts financial literacy sessions at TCF campuses across Karachi to educate the future leaders of this generation on aspects of money management and financial empowerment.

Own Impact Reduction

The Bank continues to strengthen its commitment to reducing its own environmental footprint by embedding energy efficiency, resource optimization, and renewable energy adoption across its operations. These efforts are guided by the Green Banking Guidelines and overseen by the Bank's Green Banking and Governance functions to ensure structured monitoring and continuous improvement.

During the year, the Bank focused on building internal capacity to establish and refine baseline scenarios for measuring environmental impact. Staff training and internal guidance frameworks are being enhanced to support in-house teams in systematically tracking energy consumption and identifying reduction opportunities across facilities.

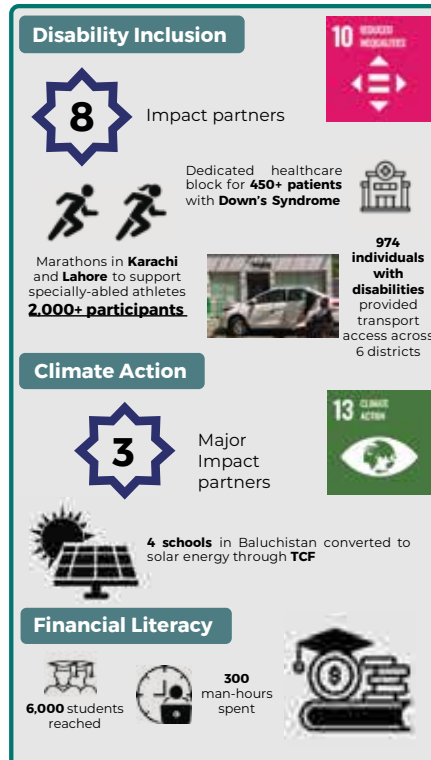
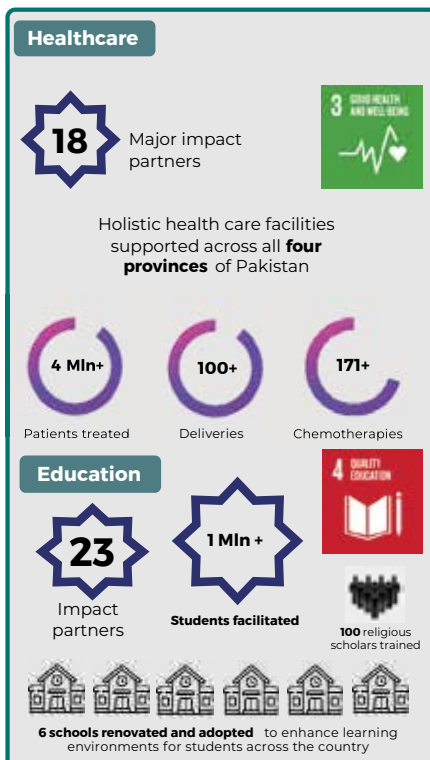
Energy conservation initiatives remain a key priority. The Bank has progressively invested in modernizing its infrastructure through the replacement of conventional systems with more efficient alternatives. Approximately 1,500 conventional air-conditioning units have been replaced with energy-efficient solutions, complemented by the installation of smart sensors at a flagship pilot branch to optimize energy usage. In addition, smart HVAC solutions, including water-cooled chillers using environmentally responsible refrigerants, have been deployed at major facilities, with further upgrades planned to enhance system efficiency. These have also been installed at the Faysal House Building, Karachi to further conserve energy and improve operational efficiency.

Renewable energy adoption continues to scale across the Bank's footprint. Solar power systems are operational at 60 branches and key locations, contributing directly to reduced reliance on conventional energy sources. Further expansion is underway, with additional installations planned in subsequent years. Notably, solar solutions have also been installed at the Faysal House Building, Karachi to further conserve energy and improve operational efficiency.

Through these initiatives, the Bank is steadily reducing its operational impact while strengthening resilience, improving cost efficiency, and reinforcing its long-term sustainability agenda.

Holistic Impact

Overview of our contributions



Diversity, Equity & Inclusion (DEI)

At the Bank, we recognise that the strength of our organisation lies in the diversity of our people and the values we uphold. Our commitment to Diversity, Equity, and Inclusion (DEI) underscores our belief that our strength lies in the diversity of our people. This commitment is reflected in various initiatives:

Vision of Diversity, Equity, and Inclusion

“With the belief in core Islamic Values of equality, Faysal Bank values diversity and inclusivity as its primary driving force to become the ‘employer of choice’, where we hold gender diversity, equitable opportunities and differently abled inclusion as the cornerstone of our DEI strategy.”

This vision of DEI rests on four strategic pillars that supports all the work we do in promoting workforce diversity, equity and inclusion, implementing DEI Initiatives in the markets and communities we operate in as well as advocating for the cause of equality to support our business. Across the Bank DEI leaders are actively engaged in strategically driving the implementation of inclusive business and work practices.

DEI Pillars



Governance

Diversity, Equity, and Inclusion (DEI) is governed through a formal oversight structure at Faysal Bank, reflecting its materiality to human capital management, organisational resilience, and long-term value creation. DEI performance and progress are monitored through defined metrics and are regularly reviewed by the Sub-Management Committee on DEI, with oversight by both the **Board's Human Resource Committee** and the **Board Sustainable Development Committee**.

This dual oversight ensures DEI considerations are integrated across people governance and the Bank's broader sustainability agenda, consistent with SECP ESG disclosure expectations on Board accountability for social

and human capital matters. Senior leadership advocacy reinforces DEI as a strategic and sustainability-linked priority embedded within enterprise decision-making, leadership development, and organisational culture.

Gender diversity at the Board level stands at **19%**, supporting inclusive governance and alignment with best practices in effective and sustainable Board composition.

Strategy

Faysal Bank's DEI strategy is anchored in Islamic values of equity, dignity, and fairness and is positioned as a strategic enabler of sustainable growth, talent continuity, and responsible banking. The Bank recognizes that limited diversity, inequitable access to opportunity, disengagement, and inaccessible systems present long-term risks to workforce stability, leadership succession, productivity, and reputation.

Accordingly, the DEI strategy focuses on:

- To be the Employer of Choice
- Have an Inclusive Workplace Culture
- Be an Equal Opportunity Employer at all Levels
- advancing participation of under-represented groups, particularly women and Persons with Disabilities (PWDs),
- Foster Innovation & Collaboration

This approach aligns with SECP ESG guidance on workforce diversity, equal opportunity, fair employment practices, and social inclusion.

Core DEI Programmes and Interventions

The Bank's DEI strategy is operationalised through a structured portfolio of **core DEI programmes**, designed to address entry, retention, progression, engagement, and leadership representation across the employee lifecycle.

Women's Participation and Leadership

- **Amal Women Leadership Development Programme (2025)**

The Amal Programme continued to strengthen the Bank's commitment to building a diverse and inclusive leadership pipeline. It focused on equipping high-potential women with critical leadership capabilities, confidence, and career readiness through structured learning interventions and mentoring. Participants developed competencies in strategic thinking, executive presence, and personal leadership effectiveness, while benefiting from peer learning and meaningful dialogue with senior leaders.

- **Naya Safar Returnship Programme**

Naya Safar provides a structured pathway for women returning from career breaks to reintegrate into the workforce, enabling the Bank to tap into experienced talent pools while supporting career continuity and economic participation.

- **Faysal Islami Khudmukhtar Programme**

The Khudmukhtar Programme supports women from underserved backgrounds through work-readiness training, professional skills development, and structured internships. The programme strengthens employability, confidence, and access to formal sector opportunities, contributing to broader economic inclusion.

- **Mothers & Managers Wellness Programme**

This programme supports women transitioning back to work following maternity leave while equipping managers with tools to provide effective support. It reinforces career continuity, wellbeing, and retention, and contributes to the Bank's strong maternity return outcomes.

- **DEI Trainings:**

DEI training aligns with the Bank's strategic objective of fostering a diverse, inclusive, and equitable workplace. These initiatives focus on educating and equipping employees with the knowledge and skills needed to embrace diversity, promote inclusive behaviours, and cultivate a strong sense of belonging. Signature programmes such as the **Leading Diversified and Inclusive Culture Workshop, Disability Sensitization and Women Champion** (Masawaat Champion) Workshops play a pivotal role in embedding inclusive practices across the organization.

- **Women Empowerment & Leadership Engagement**

As part of its commitment to women's empowerment, the Bank facilitates structured forums such as **Women Connect** where senior leadership engages directly with women employees to share perspectives, encourage mentorship, and reinforce confidence and aspiration for broader leadership roles. These engagements strengthen visibility of leadership support, enable open dialogue, and reinforce inclusion as a lived organisational experience.

Launch of Amal Women Leadership Development Programme | Cohort 2025



We are delighted to announce the launch of Amal Women Leadership Development Programme, an initiative dedicated to empowering and nurturing high-potential female talent within our organization. Led by **Aliya Moheyuddin**, a globally recognized Master trainer of NLP (Neuro-Linguistic Programming), consultant and leadership coach.

The programme was officially inaugurated by our esteemed sponsors **Mr. Monis Mirza** - Head of Human Resources and **Syed Muhammad Fraz Zaidi** - Head of Operations whose unwavering support reaffirms our commitment to create an inclusive and growth-oriented workplace. We mark this meaningful milestone as our talented female colleagues are being mentored by the senior leadership team empowering them to rise, lead and inspire.

With Amal, we take a significant step forward in enabling career progression, fostering confidence and building a strong pipeline of women leaders for Faysal Bank.

بڑھو۔ یقین کے ساتھ

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Faysal Khud Mukhtar Internship Program



Faysal Bank, in collaboration with **CIRCLE Women Association**, is proud to launch the second cohort of the Faysal Khud Mukhtar Internship Program in Karachi.

This initiative is designed to empower women from diverse backgrounds and communities by equipping them with essential skills in financial literacy, digital competence, communication, and professional conduct.




Inclusive Communication as a System-Level Enabler

Inclusive communication was identified as a foundational control within the DEI strategy, recognising that language, behaviours, and everyday interactions directly influence dignity, access, and fairness.

In 2025, the Bank developed **A Guide on Inclusive Communication at the Workplace** in collaboration with **Pakistan Business Council** as a system-strengthening intervention to address unconscious bias, exclusionary language, and cultural barriers. The Guide is designed to influence organizational culture and workplace practices beyond individual programs, supporting respectful and inclusive engagement across gender, ability, and other intersectional identities.

This intervention contributes directly to **SDG 5 (Gender Equality)**, **SDG 8 (Decent Work and Economic Growth)**, and **SDG 10 (Reduced Inequalities)** and aligns with SECP ESG expectations on fair and inclusive workplaces.



Persons with Disabilities (PWD) Inclusion and Engagement

PWD inclusion represents a material opportunity for the Bank to expand its talent pool, enhance workforce diversity, and contribute to inclusive economic participation. Through the **Qabil Internship Programme** and related interventions, disability inclusion has been embedded across recruitment, onboarding, learning, and workplace design.

Over the past five years, the Bank has achieved more than **500% increase in the hiring of Persons with Disabilities**, reflecting sustained and structured implementation.

Key PWD-focused interventions include:

- structured hiring pathways across functions,
- a **PWD Buddy Programme** to support workplace integration and engagement,
- **PWD Upskilling Programme** to enable performance and career progression,
- organisation-wide sensitisation to promote inclusive behaviours,
- assistive technologies and interpretation devices,
- Braille-based hiring and internal documentation,
- Continuous review of physical and digital workspaces to ensure reasonable accommodation.

These measures reflect a shift from accommodation-based inclusion toward **participation-led engagement**, aligned with SECP ESG guidance on accessibility and non-discrimination.



Partnerships and Ecosystem Development

To amplify impact and build sustainable inclusion ecosystems, the Bank complements its core programmes through strategic partnerships. In 2025, partnerships supported workforce inclusion, wellbeing, accessibility, and rights-based advocacy.

Key partners included FOSPAH, CERB, the Pakistan Business Council, the National Commission on the Status of Women, Mehergarh, CIRCLE Women Association, NOWPDP, Boltaay Haroof, Khaas Foodz, Level Up, Saaya Health, ConnectHear, and JAWS.



Gender Pay Equity

The Bank continuously implements policies and governance controls to ensure gender pay parity across roles and grades. Gender pay gap analysis forms part of compensation governance and is reviewed alongside workforce composition and progression trends.

For the year ended 2025:

Management Level	2025	
	Male: Female Ratio	
	Median	Mean
Senior Management	1.04 : 1	1.08 : 1
Middle Management	1.01 : 1	1.04 : 1
Junior Management	1.15 : 1	1.26 : 1
Overall	1.25 : 1	1.74 : 1

Metrics and Targets

Key DEI indicators monitored by the Bank include:

- **Gender Diversity in workforce:**
Male: 7949 (78.61%)
Female: 2163 (21.39%)
- **Board gender diversity:** 19%
- **Maternity return rate (2025):** 82%

Awards and External Recognition

The Bank's approach to Diversity, Equity, and Inclusion has received recognition across multiple external platforms, reflecting the effectiveness and maturity of its inclusive governance, policies, and people practices. These recognitions provide independent validation of progress in areas such as gender inclusion, disability inclusion, and inclusive workplace culture, reinforcing the Bank's position as a sector leader in embedding DEI as a strategic business priority.





Key DEI Events in 2025

Special Days to drive awareness around the cause are also celebrated such as the International Women Day, International Men's Day, Breast Cancer Awareness Month, International Disability Day, Mother's Day, National Working Women's Day etc. where our leadership leads from the front.





Risk Management

The Bank recognizes that social and human capital risks—such as inequitable access to opportunity, pay inequity, disengagement, inaccessible workplaces, and limited leadership diversity—can have long-term implications for talent attraction, retention, succession planning, productivity, and reputation.

These risks are mitigated through Board oversight, inclusive recruitment and leadership development systems, monitoring of pay and return-to-work outcomes, inclusive communication standards, accessibility measures, and continuous sensitization.

Contribution to Sustainable Development

The Bank's DEI strategy contributes directly to sustainable development by strengthening human capital, promoting inclusive economic participation, and reducing structural inequalities. Through leadership development, equitable employment practices, accessible workplaces, inclusive communication, and ecosystem partnerships, the Bank advances national priorities and supports the UN Sustainable Development Goals—particularly **SDG 5**, **SDG 8**, and **SDG 10**.

Financial Inclusion

Our financial inclusion strategy is deeply aligned with the United Nations Sustainable Development Goals (SDGs), focusing on providing accessible & affordable financial services to underserved communities. By fostering economic empowerment, promoting gender equality and driving innovation, we aim to create sustainable growth and ensure financial resilience for all.



Women Banking

Faysal Bank understands the importance of women and their contribution to society. The financial needs of women from all walks of life are taken care of by Faysal Bank where products are categorically designed to help achieve the following:

- Increasing access to financing by offering discounted rates
- Reducing gender-based barriers in the business environment
- Creating opportunities for women

Amal Women Account

Faysal Islami Amal Women Account (Current and Savings) is a Shariah Compliant Account that provides women financial independence by offering Transactional Convenience, Health Benefits, Financing Facilities, Payment Solutions and Takaful Coverages all under one roof.



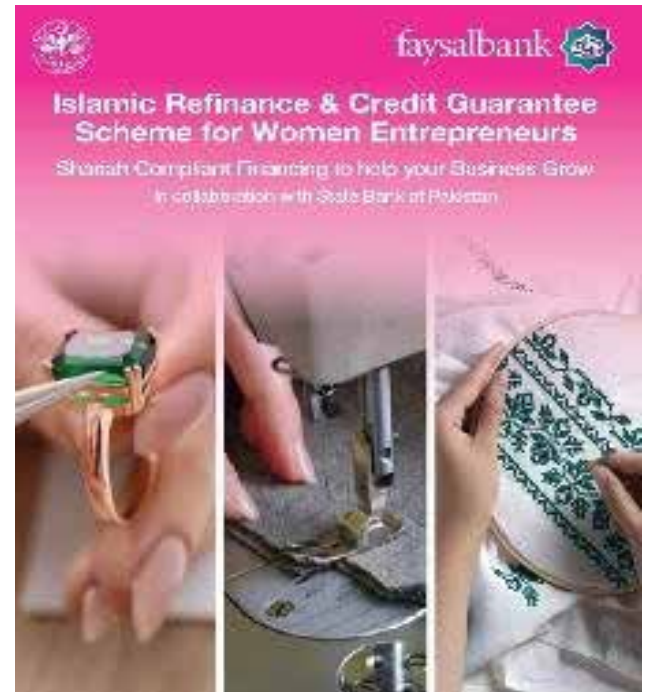
Amal Women Asaan Account

Faysal Bank has designed Amal Women Asaan Account (Current and Savings) which caters to the women of lower income segment or housewives who have no financial proof by bringing them into the financial net via quick account opening with minimum documentation and no initial deposit requirements. The product comes with multiple other features catering to the needs of women.

Faysal Islami facilitates Amal account holders not only with saving and transactional convenience but also offers discounted financing products to unlock their dreams i.e. autos, home, personal finance and Noor card.

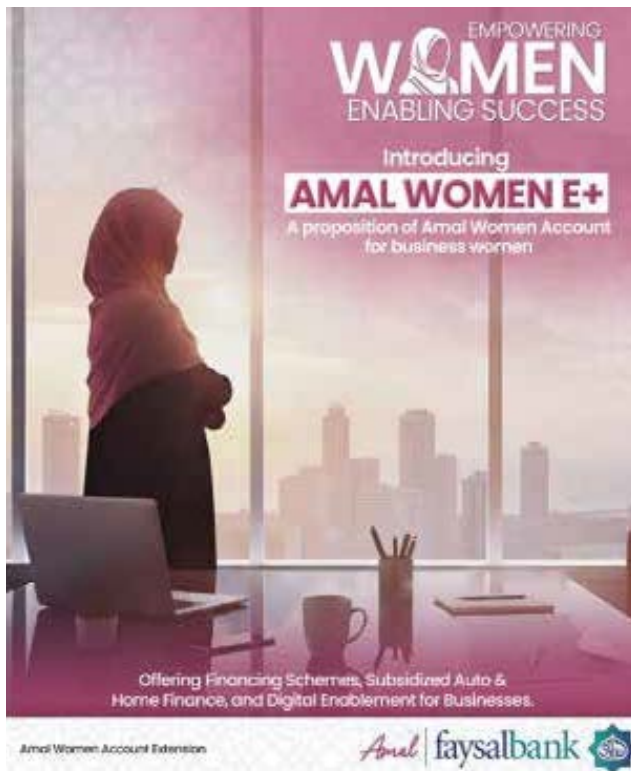


The Bank also emphasizes on empowering women by engaging them in the workforce to make informed choices for themselves and their families with Agriculture financing products and Small Medium financing particularly for women.



Amal Women E+

Faysal Islami proudly introduces Amal E+, an enhanced financial and business empowerment platform under the Amal Women Account, designed for women entrepreneurs across Pakistan. Built on the pillars of Empowerment, Enterprise, and Entrepreneurship, Amal E+ offers a holistic ecosystem combining Shariah-compliant financing, digital enablement, and business support. The platform provides access to subsidized financing under the Prime Minister's Youth Business & Agriculture Loan Scheme, along with exclusive consumer finance benefits for eligible customers.



Women Banking Awareness Sessions

Women banking awareness sessions on financial literacy are regularly held to focus on the significance of owning a bank account, various saving and investment options and introduction to financing. These sessions are organized by visiting schools, colleges, universities, hospitals and offices or inviting females at Faysal Bank branches.



National Financial Literacy Program

The State Bank of Pakistan launched the National Financial Literacy Program (NFLP) in 2017 to address financial exclusion and promote economic inclusion across the country. As a key collaborative partner, Faysal Bank has actively contributed to this national initiative by reaching unbanked communities through classroom sessions and street theatre. The program focuses on essential concepts such as budgeting, savings and investments, with a strong emphasis on female participation. Under NFLP-II (2023–2027), Faysal Bank continues to expand its outreach across multiple districts. Through Shariah-compliant solutions and financial education, the Bank remains committed to building a financially empowered and inclusive Pakistan.



Pakistan Financial Literacy Week

Pakistan Financial Literacy Week (PFLW) 2025 is a nationwide initiative led by the State Bank of Pakistan to promote financial awareness and inclusion across the country. The week features interactive financial literacy camps, on-campus awareness sessions, bank branch visits, employee engagement activities and financial literacy walks. Designed to reach youth, women and persons with special abilities, PFLW 2025 focuses on building practical financial knowledge through engaging and inclusive activities. As a key collaborative partner, Faysal Bank has actively contributed to this national initiative aims to bridge financial knowledge gaps and encourage responsible financial decision-making for all segments of society



Enablement of Digital Acceptance at Cattle Markets – Eid-ul-Azha 2025

As part of the State Bank of Pakistan's "Enablement of Digital Acceptance at Cattle Markets Eid-ul-Azha 2025" initiative, Faysal Bank actively participated by setting up dedicated stalls across 9 major cattle mandis. The initiative aimed to promote digital payment adoption and facilitate on-the-spot account opening for biyoparis, enabling safer, faster and more inclusive financial transactions during the Eid-ul-Azha season.



Revolutionized Banking for Agriculturists

Khushaal Kisaan Account

Faysal Islami Khushaal Kisaan Account is a Shariah-compliant tailor-made account to meet the specific needs of farmers, commission agents and traders associated with the agriculture segment. This account intends to cater to the changing transactional needs of small to large-scale producers, processors & traders while offering interest-free Shariah-compliant banking based on the Islamic principle of Mudarabah. Now available in Qard variant also.



Awareness Sessions on Agri-banking

In 2025, the retail and agri teams at Faysal Bank have actively engaged with farming communities across Pakistan, raising awareness and providing essential education. Through successful roadshows in Sindh and Punjab, we facilitated seamless account openings, ensuring accessibility and convenience for all. These efforts aimed to connect agriculturists with growth opportunities and enhance their financial wellbeing.



Persons with Disabilities (PWD)

Faysal Islami focuses on providing seamless services to all its customers without any discrimination therefore, when accessing financial services, we promote inclusivity for Persons with Disabilities (PWD). To make banking easy, convenient and accessible for all PWD's, the Bank has taken certain initiatives.

- Supportive Physical Infrastructure:**
 16 PWD branches revamped nationwide in terms of infrastructure (ramps availability, low height adjusted counters, wheelchair friendly areas, talking ATM's) for accessibility in our branches
- Assistive Technologies:**
 Faysal Islami promotes an easy way to communicate in collaboration with Connecthear's mobile application that comes with a live sign language interpreter to communicate with its deaf members within and outside the organization
- Accessible Products & Services**
 To promote financial inclusion and independence for Persons with Disabilities (PWDs), Faysal Bank has specially designed accessibility solutions at selected model branches. These include Braille-based account opening forms and accessibility posters in sign language have been installed to assist hearing-impaired individuals.

• Digital Healthcare Solutions

PWD customers who open an account with Faysal Bank can access exclusive digital healthcare benefits by downloading the oladoc app from the Play Store. These benefits include free video consultations with top specialist doctors for the entire family, along with free wellness and lifestyle consultations. Customers can also enjoy significant discounts on surgeries, medical procedures, lab tests, doctor consultation fees and medicine deliveries, supporting overall health and well-being.

Taking Pride in Building an Inclusive World Together!

Faysal Bank has 16 PWD Model Branches Nationwide, designed to be accessible for Differently-abled persons.

Branch Name	City
3012 Margala	Margala
3011 Main Market	Sect 5, G.D.
3253 Member	Member
3251 Main Road	Sect 5, G.D.
3248 Main Road	Main Road
3165 Jinnah Road	Jinnah
3405 PWD Society	PWD Society
3157 Durrani Road	Durrani
3281 Main Road, G.D.	G.D.
3365 Durrani Road	Durrani
3308 Main Road	Main Road
3265 Main Road	Main Road
3305 Durrani	Durrani
3011 Main Road, G.D.	G.D.
3157 Durrani Road	Durrani
3305 Durrani Road	Durrani

16 PWD Model Branches

For more details, please visit www.faysalbank.com

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BECAUSE WE CARE

oladoc

Faysal Islami introduces **SPECIAL OFFER FOR PERSONS OF DETERMINATION**

Open an account with Faysal Bank and avail unmatched benefits* for yourself & your family

- Free Video Consultations with Top Specialist doctors across Pakistan
- Massive Discounts of up to:
 - 50% off on Surgeries
 - 40% off on Lab Tests
 - 20% off on Doctor Consultation Fees
 - 10% off on Medicine Deliveries

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Retail Awards 2025

1: Global Islamic Finance Awards 2025

- Best Islamic Savings Account of the Year – Amal Women Account
- Best Islamic Financial Inclusion Initiative – Khushal Kisaan Account



2. State Bank of Pakistan

- Best Bank – Farmer Literacy Program
- Excellence in Financial Literacy
- Recognition in Pakistan Financial Literacy Week – Sialkot & Gujranwala





3. Pakistan PWD Inclusion Awards 2025

- Most Disability-Friendly Branch Network Award



4. GDEIB – Best Practices Award 2025



Agriculture

Agricultural Financial Literacy & Agri-Financing Initiative

Agriculture remains the backbone of Pakistan's economy, yet many smallholder farmers continue to face barriers in accessing financial services, understanding Shariah-compliant financing options and building the knowledge required to strengthen their livelihoods. Reflecting our commitment to inclusive economic empowerment, Faysal Bank expanded its Agricultural Financial Literacy & Agri-Financing Initiative in 2025, a programme designed to equip farming communities with practical financial skills, improve access to Islamic financing and promote long-term resilience across rural economies.

During the year, the initiative reached 1683 participants across Punjab, Sindh, Khyber Pakhtunkhwa and Gilgit-Baltistan, with a strong footprint especially in underserved agricultural belts. This wide geographic spread demonstrates the Bank's focus on decentralised outreach and on enabling communities that have historically lacked exposure to structured financial education.

A total of 1512 men and 171 women benefitted from these sessions, reflecting a 10% female participation rate and highlighting the potential for deeper engagement with women farmers and rural entrepreneurs in future cycles. Each session was structured to simplify essential concepts from budgeting and cash flow to crop-cycle financing and risk mitigation while ensuring that all guidance remained aligned with Shariah principles.

Most importantly, the programme translated knowledge into tangible economic opportunity. By the end of the cycle, participants collectively accessed over PKR 285 million in Shariah-compliant agri-financing, enabling them to invest in seeds, inputs, livestock, equipment and post-harvest improvements. This direct link between financial literacy and responsible access to capital underscores the programme's purpose: empowering farmers with both understanding and opportunity.

Digital Banking Group

Faysal Bank's Digital Positioning:

Faysal Bank has fast positioned itself as one of the leading and most innovative Banks in the industry, driven by its commitment towards innovation. The Bank has progressively invested in developing its digital assets and digital service menu which now competes with the industry best and with customer experience at the core of its digitization drive the aim is to provide customers with a class leading 'phygital' experience.

Year in Perspective

During FY25 Faysal Bank embraced a transformative approach by investing in platform upgrades of its core digital services, launching its all-new android and iOS mobile-app in the first quarter, followed by implementation of its state-of-the-art CRM in the second quarter in addition to experience updates rolled out on other digital channels.



Faysal Self-Serve Digital Lobby:

In FY25 Faysal Bank became the first Bank in the industry to launch a 'self-serve' digital lobby. This unmanned experience center is aimed at providing customers with a seamless and intuitive user-experience through state of the art digital solutions.

Amongst the highlights of this digital-lobby is Faysal Bank's instant card issuance kiosk, where customers looking for an urgent card replacement can walk-in and walk-out in less than five minutes. The lobby also boasts a number of other tech-based solutions creating an immersive banking experience with 24/7/365 availability.



Faysal DigiBank Mobile-app: Leading the Digital Revolution

Faysal Bank's flagship mobile-banking platform, 'Faysal DigiBank' is more revolutionary than evolutionary. With a customer-focused approach to every day banking needs, Faysal DigiBank has redesigned the banking on-the-go experience ensuring accessibility, simplicity, and security.

The app offers video based tutorials, screen readers and dynamic font scaling to provide users with intuitive experience. Customers can define their own transaction limits on a real-time basis given them the control over their banking needs. Faysal Bank is one of the proud partners of Google Pay, thereby allowing Faysal Bank customers to tap their mobile phones and make payments at any POS terminal.

In FY25 Faysal DigiBank witnessed a substantial transactional volume growth, processing more than PKR 3 Trillion payments, making it the platform of choice for Faysal Bank customers.



'Faysal WhatsApp Banking': #Bestinclass

Inarguably the industry leader in WhatsApp Banking, Faysal WhatsApp Banking offers a best-in-class customer

experience with features like real-time card activation, Funds Transfers, Donation Payment, Mobile top-ups and even Raast QR payments!

AI Adoption: i-Faysal

Faysal Bank's i-Faysal became the industry's first AI-powered Virtual Assistant, designed to provide 24/7 response management through a Natural-Language-Processing (NLP) interaction capability responding to customers in a seamless manner.



Expanding the Cashless Ecosystem: Merchant Payment Solutions:

In FY25, Faysal Bank became a certified Raast Merchant Acquiring Partner, positioning itself among the early adopters of the Raast QR ecosystem. Through this initiative in FY25 the Bank successfully enabled over 10,000 small businesses for P2P & P2M QR payments acceptance, supporting the nationwide financial inclusion drive and the transition towards a cashless economy.

During the year, Faysal Bank continued to make its presence felt in the Point-of-Sale (POS) merchant acquiring domain, earning its reputation as the fastest-growing acquiring network in FY25. In a short period of time, the Bank has established a footprint of over 15,000 terminals empowering SMEs by assisting them in expanding their operations through integrated and value-added payment acceptance solutions.

During the year, Faysal Bank processed retail payments of over PKR 150 Billion, serving a wide range of businesses ranging from OMC's to Retail grocery and fashion brands alike.



Faysal Bank Cash & Check Deposit Kiosks:

True to its spirit of offering customer focused digital solutions, Faysal Bank established a sizeable footprint of Cash & Check Acceptance Kiosks, making it the second largest CCDM network in the country.

These cash acceptance kiosks have not only aided the Bank in its traffic migration agenda of shifting customers from traditional channels to digital, rather it has also helped businesses by going smart by reducing their cash footprint.

During the year, these biometrically enabled Multi-Service Digital Kiosks processed cash deposits worth more than PKR 30 Billion, contributing to the State Bank of Pakistan's agenda of providing cashless solutions and help absorb currency in circulation into banking channels.



Enhancing Digital Banking for Resident Customers: Burraq Digital Account

During the year, Faysal Bank advanced its digital banking capabilities through the introduction of an upgraded Burraq Digital Account Opening experience. The launch of a redesigned Burraq application allows resident customers to open accounts through a straight-through process, featuring real-time verification and instant account creation, delivering a completely paperless and self onboarded journey.

The enhanced Burraq Digital Account reflects the Bank's ongoing focus on technology-led service delivery, operational effectiveness, and inclusive growth.



Digital Customer Care

With one of the industry's leading customer care units, Faysal Bank's Digital Customer Care (DCC) stands out as a customer-centric touchpoint. In addition to serving the inbound call traffic, the Faysal DCC also operates a cross-sell unit, providing the Bank's customers with awareness about Banking solutions, products and offering them seamless onboarding.

The Faysal Digital Customer Care goes beyond traditional interaction and also engages with customers and banking audience via the Bank's social media platforms and its industry leading Live-chat services offered from the Bank's WhatsApp platform.

The Bank's Live-chat platform is increasingly becoming popular with its tech-savvy audience which can be witnessed through its incrementally increasing 70,000 interactions per month, thereby delivering 24/7 customer availability across multiple channels.

Faysal Bank's customer care is also recognized as one of the most socially responsible and DEI focused teams in the industry, welcoming a diversity and equal opportunity employment to both, abled and differently abled individuals who now actively contribute to the organization's success.

Service Channels



Future Outlook

With its well defined focus on technology and digital experience, Faysal Bank is carving out a niche for itself as a leading digitally-oriented Bank. In FY25 the Bank was recognized both locally and internationally by esteemed platforms; 'Asian Technology Excellence Awards' for Mobile Banking and AI Banking and the 'Quoros Reinvention Award' for the Innovation.

Amongst its upcoming areas of focus, the Bank will be concentrating on AI-led and data-driven initiatives that will be aimed towards creating customer delight.





Business Continuity Management

Faysal Bank believes there is no greater value than the one to place our stakeholders on priority who make our business successful. This includes all our employees and associates, customers, vendors and shareholders. It is the policy of Faysal Bank to maintain a BCM program and Business Continuity plans to ensure the prompt and efficient recovery of critical operations of its product and services from any incident or physical disaster which the organization may face, from time to time. To ensure that the program fully meets the current and changing needs of Faysal Bank, all Business Continuity plans are regularly reviewed, updated and tested, and results are presented to Board of Directors.

Faysal Bank strongly values its stakeholders, recognizing their essential role in the organization's success. These stakeholders include employees, associates, customers, vendors, and shareholders. Demonstrating its commitment, the bank has established a Business Continuity Management (BCM) program and associated Business Continuity Plans to ensure the timely and efficient recovery of critical operations, products, and services in the face of any incident or physical disaster. To ensure the program remains responsive to the bank's current and evolving needs, the Business Continuity Plans are consistently reviewed, updated, tested, and reported to the Board of Directors.

Health & Safety

Faysal Bank's Management remains committed to fostering a culture of health and safety in Faysal Bank. This includes promoting awareness, through Trainings to our staff, ensuring compliance with relevant standards and local regulations, and embedding safety as a core operational value. Our approach reflects the Bank's dedication to safeguarding stakeholders while supporting long-term organizational sustainability."

Sustainable Operations

As responsible member of the society, we understand the impact of climate change on our environment and factors on which it depends. The Bank continues to strengthen focus on the sustainability agenda by driving initiatives that reduce carbon emissions and other greenhouse gases, and

enhance energy efficiency. Key measures include the installation of solar energy systems, optimizing fuel management strategies, and prioritizing the procurement of energy-efficient equipment and environment friendly products. We emphasize investments aligned with lower carbon emissions, ensuring that sustainability remains a key consideration in our decisions.

The Way Forward – Care Through Banking

Faysal Bank's sustainability agenda is firmly rooted in Shariah principles and guided by its core value of Care, shaping an ethical approach to growth that prioritizes social equity, human well-being, and environmental stewardship. Sustainability is embedded as a strategic lens across decision-making, risk management, and value creation, ensuring that the principles of Islamic finance contribute to inclusive economic participation, resilient institutions, and responsible use of natural resources. This commitment reflects a broader responsibility to support long-term development outcomes and UN SDGs that strengthen communities and enable shared prosperity.

In parallel, the Bank continues to enhance regulatory and disclosure readiness in line with evolving national and global frameworks. Alignment with the Pakistan Green Taxonomy is guiding responsible capital allocation towards climate-positive and resource-efficient economic activity, while progress on IFRS-aligned sustainability and climate disclosures, alongside compliance with SECP ESG guidelines, is reinforcing transparency and accountability. These efforts are directly linked to climate action priorities, including emissions monitoring across operations and financing portfolios, development of climate-related risk assessment and stress-testing capabilities, and improved environmental management practices such as waste reduction and operational efficiency.

This foundation is further strengthened through a refreshed Corporate Social Responsibility (CSR) strategy that extends beyond traditional financial support. Faysal Bank now acts as a long-term banking partner to its impact partners, enabling institutional resilience through tailored financial solutions, governance support, and sustainable operating models. By combining funding with banking capabilities, the Bank supports scalable impact across education, health, financial inclusion, gender empowerment, disability inclusion, and community development, advancing equitable access to opportunity and essential services.

Looking ahead, Faysal Bank will continue to deepen its impact through stronger partnerships, enhanced governance, and greater integration of sustainability into strategic decision-making. Continued focus on clean energy, climate resilience, and expanded access for underserved segments will remain central to the Bank's growth agenda, ensuring progress that is inclusive, responsible, and aligned with national development priorities. Anchored in faith and guided by purpose, the Bank remains committed to contributing meaningfully to environmental sustainability, economic stability, and social equity, creating enduring pathways for shared and sustainable prosperity.

Seed paper is placed at the end of this Annual Report.

Governance



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Left to right:

Mr. Imtiaz Ahmad Pervez
Mr. Abdulelah Ebrahim Mohamed AlQasimi
Ms. Fatima Asad Khan
Mr. Muhammad Ahmed Bucheerei
Mr. Juma Hasan Ali Abul
Mr. Yousaf Hussain



Left to right:
Mian Muhammad Younis
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
Ms. Sadia Khan
Mr. Ali Munir
Mr. Mohsin Tariq

Directors' Profile



Mian Muhammad Younis

Chairman

Mian Mohammad Younis' distinguished professional journey spans over 40 years career. After completing his Master's Degree in Economics, he joined the Civil Services of Pakistan. During his public service in Government, he further enhanced his knowledge, skill and expertise, by attending various educational and professional courses/workshops, which include, "Project Appraisal & Risk Management course" at Duke University USA, Assessing Financial System Stability (IMF Institute, Singapore), Promotion of Direct Foreign Investment (Osaka, Japan), Promotion of Agro Based Industry (Manila Philippines), Islamic Banking (Kuala Lumpur, Malaysia), Anti-Money Laundering and Corporate Governance & Leadership Skills from National Institute of Banking & Finance (NIBAF) and Pakistan Institute of Corporate Governance (PICG) respectively.

Mian Younis during his public service remained closely associated with reforms carried out in Public Finance, Banking and Financial Sector, Corporate Sector Governance, Rules, Regulations and Audit Procedures. He was also Head of Inter-Governmental Finance Wing (IGF), Regulation Wing (RW), and Human Resource Wing (HRW) of Finance Division as Additional Finance Secretary (AFS). He was also Secretary to National Finance Commission (NFC) from 2003 to 2010 and was the first Chief Operating Officer (COO) of Khushal Pakistan Fund Limited (KPFL) under Finance Division. He supervised not only the Expenditure budget of the Federal Government but also implemented Public Sector Development Programs (PSDP) of Finance Division from 2001 to 2011.

During his career with Finance Division affected recovery of loans extended to the Provincial Governments and other Public Sector entities by the Federal Government and assisted State Bank of Pakistan (SBP) in managing the overdraft financing position of provinces, AJK, and various Public Sector Corporations from 2003 to 2011. Therefore, his experience reflects in depth understanding of economic policies, fiscal matters and governmental procedures. In this context, he worked in different governmental, semi-governmental departments and Autonomous Bodies i.e.

FBR, Economic Affairs Division (EAD), M/O Food & Agriculture, Board of Investment (BOI), Pakistan Software Export Board (PSEB) and Finance Division. He played a pivotal role in establishing various funds including "Relief Funds" and was instrumental in framing their accounting procedures, Financial / Investment Rules in consultation with Controller General of Accounts (CGA) and Auditor General of Pakistan's Office (AGP). He completed the process of liquidation of Federal Bank for Cooperative (FBC) and Agriculture Marketing and Storage Limited (AMSL) as liquidator. He contributed towards policy formulation as a member of boards of various Corporate Sector entities and banks.

Mian Younis was on the Board of Directors of Meezan Bank Limited and remained Chairman Board Audit Committee & Member Risk Management Committee, for about three years. He has been a member on the Board of Directors of Faysal Bank Limited (FBL) since April 2014 and elected as Chairman of FBL on July 17, 2023. He is also the Chairman, Board Strategy Committee (BSC) & Board Sustainability and Development Committee (BSDC) of FBL. He also served as a Chairman Board Audit and Corporate Governance Committee (BACGC), Member Recruitment, Nomination and Remuneration Committee (RNRC) and Member Board Risk Management Committee (BRMC). He, as director & Chairman of Board of Directors, has been providing valuable insights and strategic direction contributing towards the Bank's growth, audit, compliance with Islamic finance principles and overall improvement in the performance of FBL. He possesses strong leadership qualities, strategic thinking and expertise in financial matters, navigating complex economic landscapes and formulating policies including environmental and climate resilience that balance financial prudence with social corporate responsibility.



Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
Vice Chairman

Mr. Ahmed Abdulrahim Bucheery holds MBA from the University of Glamorgan, Wales (UK), and is a Fellow Member of the Institute of Financial Accountants, London (UK) and the Institute of Public Accountants, Australia. He also holds Executive Management Diploma from the University of Bahrain and Advance Banking Diploma from the Bahrain Institute of Banking and Finance. He is also a certified Director from the Pakistan Institute of Corporate Governance.

Till 30 September 2022, Ahmed Bucheery was the Chief Executive Officer of Ithmaar Group, including Ithmaar Bank, and retired on 1 October 2022. He started his career in the Accounting Department with Aluminum Bahrain followed by Chase Manhattan Bank (currently J.P. Morgan) as Head of Financial Control. He then joined National Bank of Bahrain in 1978 where he served for 28 years in various executive levels and in different capacities, including Manager Foreign Exchange and Funding, Chief Internal Auditor and Assistant General Manager of Corporate Services Group.

Ahmed Bucheery held simultaneously dual roles of Deputy Chief Executive Officer at Shamil Bank and Chief Operating Officer at Ithmaar Bank for approximately four years. In 2013 he was appointed as CEO, Ithmaar Bank. Currently, Ahmed Bucheery serves as Vice Chairman of Faysal Bank Limited (Pakistan) and a member of the Board of Trustee of Wasf Fund for the Islamic Banks (Bahrain).



Mr. Yousaf Hussain
President & CEO

Mr. Yousaf Hussain has served as President & Chief Executive Officer of Faysal Bank Limited since 2017. With nearly three decades of experience in Pakistan's financial sector, he has overseen a defining phase of strategic repositioning and large-scale growth for the Bank. Before joining Faysal Bank in 2008, he held senior corporate and investment banking roles at ABN AMRO Bank.

Under his leadership, Faysal Bank completed its shift from a conventional institution to a fully Islamic banking model — a milestone independently recognised by the International Islamic Rating Agency as the largest Islamic banking conversion undertaken globally. He has also driven major expansion across the Bank's national footprint and strengthened its product, digital, analytics, and innovation capabilities. Today, Faysal Bank operates a network of over 900 branches across nearly 300 cities.

Mr. Hussain holds a degree in Electrical Engineering and an MBA from LUMS. He serves as President of the Overseas Investors Chamber of Commerce & Industry, Senior Vice Chairman of the Pakistan Banks Association, Director at the Pakistan Business Council, Chair of the LUMS CIEF Advisory Board, Board Member of the Habib University Foundation, and Board Member of NIBAF Pakistan.



Mr. Abdulelah Ebrahim Mohamed AlQasimi

Director

Mr. Abdulelah AlQasimi has more than 45 years of diversified management experience. His previous positions include Chief Executive of the Labor Fund (Tamkeen), from which he resigned in May 2010, Deputy Chief Executive Officer of Labor Fund Project at the Bahrain Economic Development Board, Assistant Undersecretary for Training at the Bahrain Ministry of Labor and Social Affairs, Director of Engineering and Maintenance at the Bahrain Ministry of Health. He has also served as the Chairman of the Bahrain Qualifications Framework Steering Committee and the Steering Committee of Career Expo and was a Board member of the Bahrain Society of Engineers and the Bahrain Consumer Protection Society.

He is currently a Chairman of Ithmaar Dilmunia General Partner Co. and Member of the Board of Ithmar Dilmunia Company and Faysal Bank Limited (Pakistan).

Abdulelah AlQasimi holds a BSc in Civil Engineering from Queen Mary College University of London, UK, and MSc in Health Facility Planning from the University of North London, UK, and a Diploma in Health Care Management from the Royal College of Surgeons in Ireland, Bahrain. He is also a certified Director from the Pakistan Institute of Corporate Governance.



Mr. Ali Munir

Director

Mr. Ali Munir has a BA degree from Government College Lahore and an LLB Degree From The University of Punjab, Lahore. He has over thirty years' experience as a Chartered Accountant. He is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Pakistan. He was also a member of Investment Management Regulatory Organisation and the Securities Association (now known as the SFA) in England. He joined MCB Bank Ltd. in 1999 and has previously held senior positions at Citibank, Saudi American Bank and Habib Bank. In 2005, he was awarded the M.A Mozaffar Memorial Gold Medal from the SBP and Institute of Bankers in relation to his services to banking reforms in Pakistan and Agriculture Finance. He was previously the Chairman of the SBP Committee for Agricultural Finance and also the Chairman of the SBP Committee for Islamic Banking.



Mr. Juma Hasan Ali Abul
Director

Mr. Juma Hasan Ali Abul is a fellow member of the Association of Chartered Certified Accountants, England, certified Director from the Pakistan Institute of Corporate Governance and holds a bachelor's degree in accounting, from Cairo (1980).

Key Positions Held:

- DMIT Group CEO.
- 42 years' experience in Banking, Investment, Finance; and Accounting.
- Fellow member of the Chartered Association of Certified Accountants, England.
- Certified Director from the Pakistan Institute of Corporate Governance
- Bachelor's degree in accounting, Cairo (1980).
- General Manager MFAI (Jersey) Ltd (2000 – 2010), then (2013 – Present), wholly owned subsidiary of the DMI Group.
- Executive General Manager, Ithmaar Bank BSC, Bahrain (2010-2013).
- Executive Senior Manager, Shamil Bank of Bahrain BSC (formerly, Faysal Islamic Bank of Bahrain) 1988-2000.
- Board Memberships: Ithmaar Holding; Ithmaar Bank and IB Capital; Faysal Bank, Pakistan; CITIC International Asset Management, Hong Kong; Chairman of Egyptian Investments Co, Egypt; Chairman of DMI Administrative Services, Switzerland; Chairman of Faisal Finance (Luxembourg) S.A.; Gulf Investors Asset Management Co., Saudi Arabia (under process); United Bank of Albania (until 2011); in addition to entities ranging from trading, industrial, real estate development in Bahrain, Europe, Cayman, and Egypt.
- Worked with Touché Ross, London (now Deloitte), and Peat Marwick Mitchell Bahrain (now KPMG – Chartered Accountants)
- Led restructuring of Group institutions as major Mergers & Acquisitions.



Mr. Imtiaz Ahmad Pervez
Director

Mr. Imtiaz Ahmad Pervez has over 35 years' work experience in the field of banking in the United Kingdom, Bahrain and Pakistan. His last position was that of the Chief Operating Officer of the Faysal Islamic Bank of Bahrain BSC., till 1994. He was also the first CEO of the former Faysal Investment Bank Limited, Pakistan (later merged with Faysal Bank Limited, Pakistan). Additionally, he has served on the boards of banks including the Ithmaar Bank BSC, Bahrain, AlBaraka Bank Pakistan Limited, Faysal Islamic Bank of Bahrain BSC, Faysal Investment Bank of Bahrain EC and the Faysal Investment Bank Limited, Pakistan. He holds B.A. degree from the University of the Punjab and fellowship of the Institute of Islamic Banking and Insurance, London, U.K.



Mr. Mohsin Tariq

Director

Mr. Mohsin Tariq is an accomplished business leader with more than 16 years of experience in the Petrochemical and Chemical industries. As Executive Director of Nimir Chemicals Pakistan Limited, he has played a pivotal role in driving strategic initiatives that have strengthened the company's operational efficiency, financial performance, and overall market position. Under his forward-looking leadership, Nimir Chemicals has achieved sustained growth and reinforced its standing as a leading industry player.

Mr. Mohsin Tariq holds a Bachelor of Science in Business Management from Brunel University, West London, and a Master of Science in International Management from the School of Oriental and African Studies (SOAS), London.

In May 2020, he was appointed as an Independent Director on the Board of Faysal Bank Limited. His previous board roles include serving on the Board of Nimir Industrial Chemicals Ltd. from 2015 to 2018. He currently serves as a Director on the boards of Nimir Trading (Pvt.) Ltd., Nimir Chemicals Pakistan Limited, and Nisar Synthetic Ltd.

Mr. Mohsin Tariq has also completed the Directors' Training Program at the Lahore University of Management Sciences (LUMS), further enhancing his governance and leadership credentials.

Beyond his corporate responsibilities, Mr. Mohsin Tariq is committed to social impact. He actively supports various charitable initiatives, reflecting his dedication to fostering meaningful change and uplifting underprivileged communities.



Ms. Fatima Asad Khan

Director

Fatima Asad-Said, CEO of Abacus, an international technology, outsourcing, and consulting firm, drives digital transformation for businesses across various industries and geographies. With over 28 years of experience, she has advanced progressive solutions in corporate governance, digital transformation, AI, data and cloud services, human capital management, enterprise solutions, and project leadership across multiple sectors.

Ms. Asad-Said's professional journey began at Coopers & Lybrand International, followed by PricewaterhouseCoopers, after completing her MBA from LUMS. Her leadership journey includes serving on various Boards of Directors. She is also a certified Corporate Director from Harvard Business School and a member of the Diversity & Inclusion Hub Leadership Council as well as the Women Executives of Boards Forum.

Recognized as a champion for impactful change, Ms. Asad-Said has earned prestigious accolades, including the Top IT Female Export Award from the President of Pakistan and the Platinum Award for Top Women Entrepreneur in Tech at the IT & ITES Exporters Awards 2024. She also contributes as a member of the IT & Telecom Advisory Committee, tasked with boosting IT exports by aiding the government in developing a strategic, long-term roadmap for the sector. These achievements demonstrate her relentless commitment to advancing Pakistan's IT landscape and delivering IT excellence across four different continents.



Ms. Sadia Khan

Director

Sadia Khan is a seasoned fintech executive with over twenty years of industry experience largely on the product development and technology side. Out of the total experience, 14 years have been at COO, CEO, and board level roles. Most recently, Sadia was CEO of AutoSoft Dynamics, a Made-In-Pakistan product-based company providing globally competitive core banking and related software.

Under Sadia's leadership AutoSoft's customer base has grown and today its solutions power both leading local banks within Pakistan and global banks in South Sudan, Zambia, Bahrain, and Afghanistan. She has led several successful core banking and lending system migrations (Faysal Bank, Al Baraka Bank, Sindh Bank, PMRC), mobile wallet implementations (Finca Microfinance Bank, Allied Bank), and treasury system installations (Bank of Punjab, National Bank of Pakistan, Askari Bank).

Sadia has extensive experience in managing large scale software development and technology projects. Under her leadership, AutoSoft Dynamics developed the digital banking technology for Pakistan's first smartphone based mobile wallet (SimSim) and subsequently, Allied Bank's mobile wallet solution.

In 2022, Sadia led AutoSoft's acquisition by Contour Software (Private) Limited, an indirect subsidiary of Constellation Software, Inc., a publicly traded company on the Toronto Stock Exchange (TSX: CSU) with a market capitalization of \$36 Billion and over 16,000 employees.

Sadia has a bachelor's degree in Computer Science from Rutgers University, USA. She serves on the board of directors of Kashf Foundation, Naseeb Online Services (Rozee.pk), Naseeb Networks, Digital Devices Impex (Pvt) Ltd and Nur International University.



Mr. Mohammed Ahmed Bucheerei

Director

Mr. Mohammed Ahmed Bucheerei is a senior banking and investment executive with over 18 years of experience across Islamic banking, strategy, transformation, asset management, and cross border investments. He holds a Master of Science in Financial Technology from the University of Strathclyde, United Kingdom, and a Bachelor of Science in Business Management from Bentley University, USA.

Mr. Bucheerei currently serves as Head of Strategy, Transformation and Business Development at Ithmaar Bank, where he is a member of the executive leadership team. He leads the Bank's strategic planning, restructuring programmes, transformation initiatives, corporate development activities, and business expansion efforts. He also oversees the Information Technology function, ensuring the alignment of digital capabilities with the Bank's long term strategic objectives.

Prior to this role, he served as Head of Asset Management at Ithmaar Bank, where he directed investment portfolios across the United States, Europe, and the GCC. He successfully led several major divestments, restructuring initiatives, and liquidity generation programmes, contributing materially to balance sheet strengthening and improved governance across the Group. Over his career, he has executed and supervised complex multi-jurisdictional transactions and advancing capital-optimization and risk reduction objectives.

Earlier, Mr. Bucheerei held senior roles in investment management and structured finance at MFAI Jersey Limited under the Dar Al-Maal Al-Islami Trust Group, and previously served with Gulf International Bank and Future Bank in functions covering internal control, trade finance, treasury operations, and operational efficiency.

Mr. Bucheerei currently serves as a Non-Executive Director on the boards of several regional and international institutions, including Faysal Bank Limited (Pakistan), Naseej B.S.C. (Closed), City View Real Estate Development B.S.C. (Closed), Shamil Bank of Yemen and Bahrain, Sanpak Engineering Industries (Pvt.) Limited, Green World for Water and Energy, Ithmaar Development Company Limited, and Barbar Real Estate Company W.L.L. His board mandates span banking, real estate development, industrial operations, and investment structures.

He is recognized for his strong governance orientation, strategic insight, and his contributions to sustainable value creation across the organizations he serves.

Senior Management Profiles



Yousaf Hussain

President & CEO

Mr. Yousaf Hussain has 32 years of professional experience, primarily at ABN AMRO Bank where he held multiple senior managerial positions including those within the Corporate / Credit and Transaction Banking functions. He has been with Faysal Bank since August 2008, with a significant contribution to the franchise in his previous positions as Chief Risk Officer, Regional Corporate Banking Head-North and Head of Special Assets Management Group. His experience also includes a senior role with Samba Bank and earlier assignments with Mashreq Bank and Mobilink / Motorola. Mr. Yousaf Hussain has a Bachelor of Science degree in Electrical Engineering and has done his MBA from Lahore University of Management Sciences.



Raheel Ijaz

Chief Operating Officer

Mr. Raheel Ijaz has over four decades of work experience. Before assuming this position, he accumulated a rich banking experience in institutions like MCB Bank Limited as Group Head Compliance and Controls, Country Head Sri Lanka, Head Corporate North & Public Sector; United Bank Limited as Regional Chief Executive North and also held key positions in Faysal Bank, Prime Commercial Bank and Emirates Bank International. His last role with Faysal Bank Limited was as Head Compliance. Mr. Raheel Ijaz holds an MBA degree from Quaid-e-Azam International University.



Shuja Haider
Head Treasury & ECM

Mr. Shuja Haider is a seasoned professional with over two decades of experience within the dynamic landscape of major national and international financial institutions in Pakistan and the Middle East. His diverse expertise encompasses Treasury and Risk Management, Asset and Liability Management, Foreign Exchange, Capital Markets and Derivatives, in both conventional and Islamic products. Currently serving as the Group Head of Treasury & ECM at Faysal Bank, he adeptly manages a team overseeing diverse financial aspects, from foreign exchange to Equity Capital Markets. He also serves as a director at Faysal Islami Currency Exchange Company (Pvt.) Limited. Mr. Haider's exceptional proficiency and leadership qualities have played an instrumental role in building a strong treasury team and setting up the treasury functions of 'Pak Brunei'.

Prior to joining Faysal Bank Limited, Mr. Shuja Haider has held senior positions at prominent financial institutions such as Al-Rajhi Banking and Investment Corporation in Riyadh, National Bank of Pakistan, Pak-Brunei Investment Company and Soneri Bank. His remarkable experience and tenure at these organizations of great repute is a testimony of his unwavering commitment to excellence and noteworthy contribution to the industry at large. Mr. Haider holds a Master's degree in Business Administration.



Tanveer Khatri
Chief Financial Officer

Mr. Tanveer Khatri has been serving as the Chief Financial Officer (CFO) since December 11, 2025. He is a Fellow Chartered Accountant from The Institute of Chartered Accountants of Pakistan and a seasoned finance professional with over two decades of diversified experience across leading financial institutions.

He brings extensive expertise in financial strategy, regulatory compliance, corporate governance, and finance function transformation, developed through senior leadership roles across multiple regulatory frameworks and geographic markets. Prior to assuming the CFO role, he served as Financial Controller at Faysal Bank, and has strengthened governance frameworks, internal controls, and management reporting.

Mr. Khatri began his career with KPMG Pakistan and has held senior finance leadership roles at UBL and HBL, including international assignments. He plays a key role in strengthening the Bank's financial resilience and long-term value creation.

**Nasir Islam**

Head Internal Audit

Mr. Nasir Islam is a fellow member of the Institute of Chartered Accountants of Pakistan. He is a senior professional with more than 33 years of Banking experience having lead Internal Audit, Compliance and Finance functions. Mr. Islam has also been leading Business Process Re-engineering, Change Management and Acquisition / Integration projects. He has been working as a Senior Executive in senior management committees and been instrumental in formulation and implementation of the risk and control environment including the creation of various risk and control committees allowing senior executives to understand and mitigate risk issues across their respective areas / functions. He has also been working with Board and its Committees in implementing good Corporate Governance practices and setting up corporate governance, risk management and compliance policies within the organization.

**Jaudat Hussain**

Head Retail Banking

Mr. Jaudat Hussain brings with him over 29 years of professional experience in Retail, Commercial and Consumer Branch Banking. Prior to joining Faysal Bank he has served at key positions in Standard Chartered, MCB, United Bank, NIB Bank and Habib Bank. Prior to his current appointment as Head Retail Banking, he has also held the position of Head Branch Distribution at Faysal Bank. He holds a Master of Business Administration degree from Indiana University of Pennsylvania, USA, and International Capital Markets Qualifications from Securities Institute London, U.K. He also serves as a director at Faysal Islami Currency Exchange Company (Pvt.) Limited.



Mian Salman Ali
Chief Risk Officer

Mr. Salman Ali brings with him a banking experience of over 22 years in large local and multinational banks. During his career, he has held various leadership/supervisory roles in business and control functions. Mr. Ali has a diversified experience in the field of Corporate Banking, Commercial / SME Banking & Credit / Risk Management and serves as a director at Faysal Asset Management Limited. Prior to joining Faysal Bank, he has been associated with ABN AMRO Pakistan and Allied Bank. Mian Salman holds a Master's of Business Administration degree from Lahore School of Economics. He is also a certified Islamic Banking Professional from NIBAF.



Muhammad Aurangzeb Amin
Company Secretary & Head, Legal

Mr. Aurangzeb Amin brings with him over 29 years of experience in the Financial Sector and Legal Consultancies both in Pakistan and in the USA. During his career, he has worked with NIB Bank and Pak-Kuwait Investment Co. as Company Secretary and Head Legal. He has also worked with law firms locally and internationally, namely Orr, Dignam & Co. and Surridge & Beecheno. He has a Master of Laws degree from Temple University, USA.



Syed Muhammad Fraz Zaidi

Head Operations

Mr. Fraz Zaidi brings with him over 21 years of experience in the financial services sector, where he has held leadership roles in Finance, Risk Advisory and Strategy. Prior to joining Faysal Bank Limited, he has been associated with organizations such as H & H Exchange Co. (Pvt.), A. F. Ferguson & Co. and United Bank Limited. His last assignment was Head Operational Risk & Basel-II Division at United Bank Limited. Mr. Fraz Zaidi is a Chartered Accountant from the Institute of Chartered Accountants, Pakistan and serves as a director at Faysal Asset Management Limited.



Monis Mirza

Head Human Resources

Mr. Monis Mirza has over 29 years of leadership experience in Human Capital Management, Mergers & Acquisitions, Cultural Integration and Business Growth in multiple geographies. During his career, he has held key positions in Procter and Gamble (P&G), Standard Chartered Bank in Pakistan and Tenova Canada. He remained Director of Human Resources and a Management Committee member for SCB Pakistan for over a decade, and helped the bank manage organic and inorganic business growth, drive productivity through engagement and organizational design efficiencies. His last assignment was with HRS Global as Chief Executive Officer – Recruiting. Mr. Monis Mirza acquired his B.E. Electrical Engineering degree from University of Buffalo, USA and MBA degree in Human Resources from Institute of Business Administration, Karachi. He has also completed an advance diploma in Human Resources from McMaster University, Canada.



Asim Jilani

Head Special Assets Management

Asim Jilani is a seasoned banking professional with over 26 years of expertise in Corporate, Commercial, and Special Asset Management (SAM) functions, spanning Pakistan and the Middle East. He specializes in debt restructuring, asset recovery, stakeholder negotiations, and strategic leadership. Since joining FBL in 2018, Asim has consistently demonstrated excellence in client relationship management and team leadership, culminating in his promotion to Head of SAM in 2025.

Throughout his career, Asim has established a proven track record of managing complex financial portfolios, driving revenue optimization, mitigating risks, and cultivating long-term client partnerships. His ability to deliver tailored financial solutions and foster business growth underscores his strategic acumen and results-driven approach.

Asim holds a Master's degree from Quaid-e-Azam University, Islamabad. He remains committed to achieving organizational success and maintaining a standard of excellence in all endeavors.



Aneeq Malik

Head Consumer Finance

Mr. Aneeq Malik is a solutions-focused banker with over 24 years of rich experience overseeing the compliance function, branch operations and consumer finance. Prior to joining Faysal Bank Limited, he has been associated with banks like ABN AMRO and MCB. Mr. Aneeq Malik is recognized for being both reactive to developments in the regulatory and governance environment and proactive in areas related to compliance education and training. Highly adept in identifying gaps and / or risk exposure in operations as well as developing and implementing strong systems of check and balances. He holds a graduation degree from Punjab University, Lahore. He is a certified expert in Corporate Governance & Leadership Skills from Pakistan Institute of Corporate Governance (PICG). He is also certified from NIBAF in Islamic Banking. He is on the Board of Directors of M/s. 1Link (Guarantee) Ltd., as a nominee director from Faysal Bank Limited as well.



Abadullah

Chief Compliance Officer

Mr. Abadullah brings with him over three decades of diversified experience of Branch Banking, Trade, Operations and Compliance. Prior to joining Faysal Bank Limited, he has been associated with Standard Chartered, ANZ Grindlays and United Bank Limited. His last assignment with SCB was as Head Corporate Service Delivery. Prior to his current appointment as Chief Compliance Officer, he has also held the position of Head Operations at Faysal Bank Limited. Mr. Abadullah has been instrumental in implementing various projects and had led teams which migrated core banking systems in Faysal Bank. He is a certified GRC professional from GRCP International and diploma holder from Institute of Bankers in Pakistan. He holds a Master of Business Administration (Finance) degree from IBA, University of Punjab and is a certified director from ICMA Pakistan.



Imran Saeed

Head Information Technology

Imran Saeed is the Chief Information Officer and Executive Vice President at Faysal Bank Limited, with over 24 years of progressive leadership experience in banking technology, digital transformation, and IT Management. He has been instrumental in defining and executing the Bank's enterprise-wide technology strategy, ensuring strong alignment with business priorities, regulatory requirements, and evolving customer expectations. He holds a Master's degree in Computer Science, complemented by professional and leadership certifications, as well as advanced programs in Business Transformation and Islamic Banking. His academic and professional background underpins a pragmatic approach to technology leadership, combining innovation with operational discipline and regulatory compliance.

Under his leadership, Faysal Bank has successfully delivered major Islamic conversion initiatives, core banking modernization initiatives, strengthened digital banking platforms, expanded cloud and automation capabilities, and enhanced cybersecurity and IT resilience across the enterprise. His focus on scalable, secure, and customer centric technology solutions has contributed to improved service delivery, operational efficiency, and risk management.

Mr. Saeed works closely with the Board of Executive and Director Management to support technology enabled growth, oversee technology risk and governance, and ensure that the Bank's technology landscape remains robust, compliant, and future ready.

**Ali Waqar**

Head Corporate & Investment Banking

Mr. Ali Waqar has over 23 years of professional experience, primarily in the field of Corporate & Investment Banking, and Commercial Banking. Throughout his professional career, he has been instrumental in driving the organization's profitability through a diverse mix of transactions including Structured Finance, Project Finance, Mergers & Acquisitions and Derivatives. He has served at key positions in leading multinationals as well as local organizations including ABN AMRO Bank N.V., Barclays Bank Plc. and Faysal Bank Limited. Prior to his current assignment, Mr. Ali Waqar spearheaded Faysal Bank's Regional Corporate Banking franchise for 9 years as the 'Corporate Head-Central' where he contributed significantly towards sustainable portfolio and revenue growth. Mr. Waqar holds an M.Sc. degree in Economics and Finance from Lahore School of Economics.

**Syed Amin ur Rehman**

Chief Digital Officer

Mr. Amin ur Rehman has a rich experience of over 23 years in both financial and non-financial sectors and holds a Hons and Master's degree from Institute of Business Administration. Having worked in the Banking industry, Public Utility and Global Payment Schemes, he has a diversified exposure where prior to joining Faysal Bank, he was associated with UBL, Visa Worldwide, K-Electric, Atlas Bank and HBL. His experience in the digital domain includes collaborating with Fintechs in developing their go-to-market strategy and has played a key role in expanding digital merchant acceptance while driving business sustainability. At Faysal Bank, he is currently spear-heading the digital transformation journey by focusing on increasing the Bank's digital foot-print and create digital enablement for key business verticals across the Bank.



Syed Tahir Rizavi

Chief Strategy & Artificial Intelligence Officer

Syed Tahir Rizavi is a senior banking executive with over 21 years of experience across leading global and regional financial institutions. He currently serves as Chief Strategy & Artificial Intelligence Officer, responsible for the Bank's enterprise strategy and the strategic use of Data, AI, and Advanced Analytics to drive growth, efficiency, and competitive positioning.

Mr. Rizavi has been associated with Faysal Bank for over a decade, during which he has held multiple senior roles spanning enterprise strategy, business leadership, and transformation.

Prior to this, Tahir held senior roles across Corporate and Retail Banking, with P&L responsibilities as well as Portfolio management, Product Development, and Digital transformation. His experience in large, mature institutions is complemented by his involvement with early-stage organisations, where he was part of founding teams responsible for building new businesses and customer portfolios.

Tahir holds a Bachelor's degree in Computer Science and an MBA from INSEAD.



Muhammad Faisal Shaikh

Head Shariah Compliance & Advisory

Mr. Muhammad Faisal Shaikh is the Head, Shariah Compliance & Advisory at Faysal Bank Limited. He joined Faysal Bank Limited as Head, Islamic Banking in 2017 and played key role in conversion of the Bank into a full-fledged Islamic Bank in December 2022. After completion of the conversion process he was redesignated as Head Shariah Compliance & Advisory of the Bank.

A graduate of Institute of Business Administration (IBA), Karachi, he has over 25 years of experience in the field of Shariah Structuring, Compliance and Product Development. Prior to joining Faysal Bank he was associated with BankIslami Pakistan Limited and Meezan Bank Limited as part of founding teams.

He has been instrumental in development of various pioneering Islamic Corporate & Consumer Banking Products and Sukuks structures in Pakistan including Islamic Export Refinance Scheme of State Bank of Pakistan and Pakistan's inaugural sovereign International Sukuk. He led the team which converted conventional assets and liabilities of KASB Bank Limited after its acquisition by BankIslami Pakistan Limited. Prior to this, his team structured acquisition and conversion of Citibank Pakistan's conventional housing finance portfolio by BankIslami Pakistan Limited.

He was part of Meezan Bank's founding team and was an active member of the team responsible for conversion and merger of Pakistan operations of Societe Generale into Meezan Bank Limited. He also played an important role in development of pioneering Commercial Banking products under Islamic modes of Finance.

Given his experience in Conversion process, SBP has nominated him as member of multiple Working Groups of Committee for Transformation of Conventional Banking into Islamic. He is also member of Conversion Standard Development Working Group of AAOIFI based in Bahrain.

Shariah Board - Profiles

Mufti Muhammad Mohib ul Haq Siddiqui

Chairperson – Shariah Board

Mufti Mohib ul Haq is a prominent and a well-recognized Shariah scholar of international repute. His credentials include a specialized degree in Shahadat-ul-Aalamia (Masters in Arabic and Islamic Studies) and Al-Takhassus fi al-Iftaa' (Specialization in Islamic Jurisprudence and Fatwa) from the esteemed Jamia Darul Uloom, Karachi, under the guidance of Justice Retd. Mufti Taqi Usmani

Mufti Mohib ul Haq has a diversified experience of more than 23 years in Islamic Finance Industry. He has been associated with Faysal Islamic Banking since 2011, as the Shariah Advisor, prior to his appointment as the Chairperson Shariah Board. He is also a Shariah Board Member of Bank Alfalah Limited and Bank Al Habib Limited.

Previously, he has served as the Shariah Advisor / Member Shariah Board at various Financial Institutions which include:

- Takaful Pakistan Limited
- Royal Bank of Scotland Berhad, Malaysia
- JS Islamic Mutual Fund

Mufti Mohib ul Haq has significant research experience related to Islamic Finance and other Shariah related subjects. Further, he is also a member of the State Bank of Pakistan's Committee for Shariah review, standardization of Islamic products and processes, and formalization of Accounting & Auditing Organization for Islamic Financial Institutions ("AAOIFI") Shariah standards for the Pakistan banking industry. He is also an experienced lecturer and trainer in the field of Islamic Finance, Fiqh and Islamic Financial Laws at various institutions which include:

- Jamia Darul Uloom, Karachi
- Centre for Islamic Economics ("CIE")
- National Institute of Banking and Finance ("NIBAF") – SBP
- Institute of Cost and Management Accountants of Pakistan ("ICMA")
- Institution of Business Administration- Centre for Excellence in Islamic Finance ("CEIF")

Dr. Mufti Khalil Ahmad Aazami

Member Shariah Board

Dr. Mufti Khalil Ahmad Aazami is a renowned Shariah Scholar in the Islamic Banking industry. Dr. Aazami has graduated from Jamia Darul Uloom, Karachi. He obtained his Shahadat-ul-Aalamia (Masters in Arabic and Islamic Studies) and Al-Takhassus fi al-Iftaa' (Specialization in Islamic Jurisprudence and Fatwa) from Jamia Darul Uloom, Karachi, under the guidance of Justice Retd. Mufti Taqi Usmani. He holds a Ph.D. in "Islamic Jurisprudence" from University of Karachi.

Dr. Aazami is working with Bank Alfalah Limited-Islamic Banking since 2003 in the capacity of Shariah Advisor and now serving as Chairperson Shariah Board since 2015. He is also a Member Shariah Board of National Bank of Pakistan-Islamic Banking and Faysal Bank Limited.

Dr. Aazami has served as Shariah Advisor / Member Shariah Board in different financial institutions including:

- Takaful Pakistan Limited (2005 - 2014)
- Alfalah GHP Islamic Fund (2007 - 2014)

Dr. Aazami has significant research experience related to Islamic Finance and other Shariah related subjects. Furthermore, he is the member of AAOIFI Shariah Standards Committee (Karachi). He is an author of numerous publications. He is also an experienced lecturer and trainer in the field of Islamic Finance, Economics, Fiqh, Islamic Financial Laws and General Islamic Science at various institutions which include:

- Jamia Darul Uloom, Karachi
- Centre for Islamic Economics ("CIE")
- National Institute of Banking and Finance ("NIBAF") – SBP
- Sheikh Zayed Islamic Centre - University of Karachi
- Institution of Business Administration- Centre for Excellence in Islamic Finance ("CEIF")

Mufti Abdul Basit

Resident Shariah Board Member

Mufti Abdul Basit is working with Faysal bank since 2019 in different capacities and since 2021 serving as a Shariah Board Member and now designated as a Resident Shariah Board Member since 2024. He is also Shariah advisor of FAML Faysal Asset Management.

Mufti Abdul Basit holds both contemporary and religious academic qualifications. He obtained a Shadat-ul-Aalamia (Masters in Islamic Studies & Arabic) from the esteemed Jamia Darul Uloom, Karachi, under the guidance of Justice Retd. Mufti Taqi Usmani and Takhassus Fiqh-ul-Muamlaat from Jamia Tur Rasheed, Karachi. Additionally, he holds a graduation degree in Commerce from the University of Karachi.

With wide-ranging professional and educational experience, Mufti Abdul Basit brings valuable expertise to his roles. He possesses extensive experience in Islamic Banking. Furthermore, he has a significant background in teaching, having served as a Permanent and Visiting Faculty Member at renowned institutions such as;

- Sheikh Zayed Islamic Centre – University of Karachi
- IBA – CEIF (Centre for Excellence in Islamic Finance)
- NIBAF (National Institute of Banking & Finance – SBP)

Mufti Abdul Basit is a Certified Shariah Adviser & Auditor (CSAA) recognized by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain. He has also completed the NIBAF Islamic Banking Certificate Course – Capacity Building of Shariah Scholars organized by the NIBAF (National Institute of Banking & Finance – SBP). Additionally, he is a certified professional trainer accredited by The International Association for People & Performance Development (IAPPD) and registered as a Shariah Advisor with the Securities and Exchange Commission of Pakistan (SECP).

Mufti Muhammad Najeeb Khan

Member Shariah Board

Mufti Muhammad Najeeb Khan is esteemed as a prominent Shariah scholar, boasting a distinguished educational background with specialized degrees in Shahadat-ul-Aalamia and Al-Takhassus fial-Iftaa' from the esteemed Jamia Darul Uloom, Karachi, under the mentorship of Justice Retd. Mufti Taqi Usmani.

His extensive experience in the Islamic Finance Industry last twenty-five years is evident through his multifaceted roles. Currently, he serves as a Chairperson Shariah Board Bank Makrama Limited and as well as Member Shariah Board of Faysal Bank Limited, and as a Shariah Advisory Board member for UBL's United Composite Islamic Fund. Additionally, he was holding the esteemed position of Chairman Shariah Board at Sind Bank Limited and acts as an advisor and member to various financial institutions including Habib Bank AG Zurich, Habib Metropolitan Bank, Shariah Board SECP furthermore he served Educational Institution including Hira Foundation School, Hira Institute of Emerging Sciences, and the Centre for Islamic Economics, Syndicate member of NED University Karachi.

Mufti Najeeb actively contributes to the development and standardization of Islamic finance practices, serving on several committees including the Shariah Committee for Shariah Standard Pakistan Chapter AAOIFI, and the Committee of Islamic Accounting Standards. He has been an integral part of the Committee on Accounting and Auditing Standards for Interest-Free Modes of Financing and Investments in ICAP since 2003. Additionally, he plays a significant role in halal standards, serving as Vice Chairman of the Technical Committee on Halal Pharma Standards and Senior Member National Halal Standards Committee and Member Technical Committee on Halal Conformity Assessment Standard, Chairman of the Shariah Board for the Halal Awareness and Research Council.

His commitment to education and training is evident through his involvement as a trainer with prestigious institutions such as NIBAF (SBP), IDB, IBA, LUMS, Karachi University, and the Halal Committee of OIC. Internationally, Mufti Muhammad Najeeb contributes to the development of Islamic education curriculums in Darul Uloom College of Victoria and lectures at institutions such as U.M.M.A Centre and Islamic Centre in Victoria, Australia. He also serves as an advisor in Islamic finance to various financial institutions in Australia and is a Senior Member of Majlis Ulama in Australia.

Mufti Muhammad Najeeb Khan's diverse portfolio of engagements underscores his dedication to advancing Islamic finance principles globally and promoting education in the field.

Dr. Mufti Muhammad Hassan Ashraf Usmani

Member Shariah Board

Dr. Mufti Muhammad Hassan Ashraf Usmani son of Justice Retd. Mufti Mohammed Taqi Usmani, is an esteemed scholar renowned for his profound expertise in Islamic finance. With a robust educational background, he holds a Ph.D. in Islamic Finance, specializing in AAOIFI Shariah Standards. Additionally, he has acquired specialized degrees in Shahadat-ul-Aalamia and Al-Takhassus fial-Iftaa' from the prestigious Jamia Darul Uloom, Karachi, under the guidance of Justice Retd. Mufti Taqi Usmani.

Presently, Dr. Usmani serves as a Member Shariah Board at Faysal Bank Limited and Atlas Asset Management Company. Notably, he has previously held positions as the Chairman Shariah Board and Resident Shariah Board Member at Sindh Bank Limited. In addition to his banking engagements, Dr. Usmani contributes to academia as an instructor in various Shariah subjects and assumes administrative responsibilities at Jamia Darul-Uloom Karachi. Moreover, he provides advisory services to a range of institutions, including the Kashif Iqbal Thalassemia Care Center and the Centre for Islamic Economics. Furthermore, he holds the position of Assistant Professor and Head of Department for the Islamic Banking and Finance program at Greenwich University.

Dr. Hassan Usmani plays a pivotal role in shaping Islamic finance standards in Pakistan, serving as a member of the State Bank of Pakistan's Committee for Shariah review and standardization of Islamic products and processes. He is actively involved in the formalization of AAOIFI Shariah standards for the banking industry.

As an accomplished author, Dr. Hassan Usmani has published numerous research papers on Islamic finance and related Shariah subjects, reinforcing his expertise in the field. His multifaceted contributions underscore his commitment to advancing Islamic finance principles and promoting excellence in academia and industry alike.

Mufti Muhammad Uzair Qasim

Member Shariah Board

Mufti Muhammad Uzair Qasim is a well-known Shariah scholar. He is a graduate of Jamia Darul Uloom, Karachi, where he obtained his Shahadat-ul-Aalamia (Masters in Arabic and Islamic Studies) and Takhassus Fil Iftaa' (Specialization in Islamic Jurisprudence and Fatwa) under the guidance of Justice Retd. Mufti Taqi Usmani. After completing his Takhassus, he earned a Postgraduate Diploma in Islamic Banking and Takaful from the Center for Islamic Economics (CIE), Karachi.

He also holds an MBA degree with majors in Banking and Finance from the Institute of Business Management (IoBM), Karachi and has earned the "Certified Shariah Advisor and Auditor (CSAA)" certification from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain.

He is registered as a Shariah Advisor with the Securities and Exchange Commission of Pakistan and prior to his appointment as Shariah Board Member, he has been associated with Faysal Bank Limited since 2022, where he initially worked as a Shariah Scholar, playing a key role in facilitating the bank's Shariah compliance especially in corporate & investment banking transactions and bank-wide Shariah related trainings.

Since 2017, Mufti Uzair has been actively involved in Shariah advisory, Shariah compliance, issuing fatwas, as well as teaching and training in various institutions.

Attendance of Shariah Board Meetings during the year 2025

Attended by/ Meeting Date	13-02-2025 (38th)	15-05-2025 (39th)	25-09-2025 (40th)	17-12-2025 (41st)
Mufti Muhammad Mohib ul Haq Siddiqui	✓	✓	✓	✓
Dr. Mufti Khalil Ahmad Aazami	✓	✓	✓	✓
Mufti Abdul Basit	✓	✓	✓	✓
Mufti Muhammad Najeeb Khan	✓	✓	✓	✓
Dr. Mufti Muhammad Hassan Ashraf Usmani	✓	✓	✓	✓
Mufti Muhammad Uzair Qasim	✓	✓	✓	✓

Recipient of SCFR (PK) 1
Highest Shariah Rating Attainable



Board Committees and Terms of Reference

Board Audit & Corporate Governance Committee (BACGC)

The BACGC, appointed by the Board, assists in the following areas as per Corporate Governance and SBP regulations:

- Reviewing and recommending Accounting and Financial policies.
- Assessing the integrity of reporting and internal controls.
- Ensuring financial statement accuracy and Board information needs.
- Considering and recommending appointment of External Auditors.
- To review activities and performance of the bank's Internal Audit function and External Auditors.
- Reviewing compliance by the bank with legal and regulatory requirements.
- Reviewing status of compliance with code of corporate governance.
- Review and monitor compliance with shariah governance framework of SBP.
- Ensure senior management maintains effective internal controls for financial, operational, and compliance purposes.
- Review Bank's statement on internal control systems prior to endorsement by the Board.
- Review significant regulatory examination reports.
- Review and recommend to the Board the Bank's annual Internal Risk Assessment Report (IRAR)
- Initiate special projects or investigations as directed by the Board
- Monitor corporate governance trends and recommend changes to the Board.
- Review and resolve apparent and potential conflict of interests including reviewing related party transactions in accordance with applicable rules and laws.
- Ensure that the Bank adopts, maintains and applies appropriate disclosure management as per Stock Exchanges listing regulations and State Bank of Pakistan requirements.
- Oversee the implementation of the Ethics & Whistleblower Policy.

- Review and update the Committee's Terms of Reference annually.
- Meet separately with management or others as deemed necessary for discussions.
- Addressing other Board-defined responsibilities

Recruitment, Nomination & Remuneration Committee (RN&RC)

- To ensure that overall staff agenda complies to all regulations, governances and laws as applicable from time to time through various regulators.
- To ensure that HR policies and practices are in line with the market dynamics and business objectives of the Bank
- To design competitive compensation programs that attract, retain and motivate staff to achieve business objectives of the organisation, while enhancing and sustaining shareholder value.
- To review the implementation of the revised State Bank's remuneration guidelines, and ensure that remuneration policy is aligned with the requirements of the guidelines.
- To periodically examine the Bank's remuneration policy.
- To review and recommend the HR policies of the Bank to the Board. Ensure development of new policies to help attract, retain, develop and motivate talent.
- To review the Management Structure/Organogram of the Bank.
- To review and recommend the selection/ appointment/ reappointment, evaluation, compensation, increments, performance bonuses, fringe benefits, including retirement benefits, and terms and conditions of service agreement of the CEO to the Board.
- To review and recommend to the Board the selection, evaluation and compensation of key executives of the Bank.
- To review and confirm the Job Descriptions of key executives, review and recommend the appointment and promotions of all key executives.
- To investigate and recommend resolutions to the Board of major violations of the code of business conduct and ethics that may relate to personnel or internal controls relating to human resource policies or benefits.

- To consider/review and recommend to the Board, the remunerations to be paid to the non-executive Directors of the Bank for attended Board and Board Committee meetings.
- To review and monitor the overall Human Resource budget including learning and development.
- Appointment / recommend to Board the induction of Directors on Board of FBL.
- To assess the performance of the Board and its Committees.
- To look after any other matters relating to Human Resource Management.

Board Risk Management Committee (BRMC)

Following is the broad summary of the areas covered in BRMC's TORs:

- Oversee the adequacy and effectiveness of the Bank's risk management framework, including principles, policies, methodologies, systems, structures, processes, procedures and people as well as adherence to regulatory requirements within the risk management function.
- Review current and potential future risk exposures of the Bank, including determination of risk appetite and tolerance.
- Review and recommend to the Board overall risk appetite and tolerance of the Bank in relation to credit risk, market risk, liquidity risk and operational risk - including trade-based money laundering risk, Shari'ah non-compliance risk, environmental and social risk, legal risk, outsourcing risk, etc.
- Review and monitor multiple stress and scenario testing of the Bank's credit, market, and liquidity risk exposures, in conformity with the regulatory guidelines.
- Review the reports generated by the Risk Management function, including assessments of the credit portfolio, capital adequacy, market risk, liquidity risk, operational risk, information security, and business continuity planning.
- Ensure that a system is in place to identify and report any exceptions to the approved risk appetite/limits and to take timely corrective measures.
- Review the Bank's strategy from a risk perspective and ensure that it is prepared in accordance with the Bank's policies.
- Review the Bank's risk policies on a periodic basis to ensure that these adequately cover the requisite risk parameters and regulatory standards and recommend them to the Board for consideration and approval.

Board Sustainability & Development Committee (BSDC)

The Board Committee on Sustainability and Development (BSDC) was established by the Board of Directors on April 25, 2024 to oversee ESG initiatives and ensure alignment with regulatory requirements. Following is the broad summary of the areas covered in the BSDC's TORs:

- Develop and review relevant policies, to ensure integration with Islamic principles of social responsibility, environmental stewardship, and ethical economic growth.
- Oversee the implementation of Environmental, Social, and Governance (ESG) practices, including oversight of Corporate Social Responsibility (CSR) activities. The Committee ensures that philanthropic initiatives, charitable donations, and social welfare activities are aligned with regulatory requirements and institutional values.
- Review Diversity, Equity and Inclusion (DEI) initiatives undertaken by the Bank, to ensure alignment with best practices.
- Oversee the implementation of Banking on Equality initiatives aimed at reducing gender disparity in financial services.
- Evaluate strategic initiatives aimed at broadening financial inclusion, specifically targeting the expansion of banking services to underserved and unbanked segments of the population.
- Review initiatives designed to mitigate the Bank's own environmental and social impact, to promote a culture of sustainable business practices.
- Review the concentration of advances portfolio in various environmental and social risk categories; to direct the allocation of funds to environment friendly projects without compromising on national priorities.
- Encourage innovation and research in sustainable finance by exploring new products, services, and strategic partnerships that advance the Bank's sustainability agenda.
- Review the progress of learning and development initiatives / capacity-building programs intended to impart awareness on the regulatory framework, institutionalize sustainable practices and to promote a culture of sustainability within the organization.
- Advise and assist the Board in achieving compliance with the directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

IT Committee

- The “BITC” shall be responsible for establishing a comprehensive enterprise technology governance framework which defines the leadership, organizational structures and processes to ensure that the technology sustains and extends the enterprise's strategies and objectives.
- The committee will review IT Department Organization structure and IT personnel to ensure that requisite skill sets required for Technology Governance, Service Management, MIS, Information Security and Technology Risk Management are sufficient and up-to-date.
- BITC will have the delegated authority from the Board to deliberate and authorize IT Strategic initiatives realizing institutional goals and objectives; alignment of policies, procedures, projects, programs, , acquisition, outsourcing, service Delivery, transparency, development, deployment and use of technology including management of all related risk, mission critical business operations with businesses and bank's strategy; and advising on investment decisions with adequate standards, security and risk reviews in light of major technological/regulatory developments and receive necessary, relevant and timely reports for submission to Board on an ongoing basis for its review and approvals.
- The “BITC” shall act as a supervisory body and will be mainly responsible for advising and reporting to the Board on the status of technology activities and digital initiatives undertaken by the bank. These reports shall enable the Board to make decisions without having to be involved in routine activities.
- The committee shall present recommendations related to Information Technology, Information Security and Digital strategies to the Board for approval.
- The committee shall review and monitor IT disaster recovery /contingency plan, adequacy of contingency centers and results of business continuity tests post DR drill.
- The committee shall oversee and monitor execution of IT and Digital Strategy and directs the preparation and implementation of plans and policies to ensure that the use of technology meets business products and objectives and that compliance to policies and performance against these plans is monitored ensuring attainment of strategic goals and objectives in-line with corporate governance policies and practices.
- Any new policy and / or amendment in existing policies related to Information Technology, Information Security and Digital Banking will be first reviewed and recommended by the “BITC” before submission to the Board for approval.
- Oversee, recommends and monitoring of annual IT budget in response to and part of the annual business planning /budgetary exercise.
- The committee shall ensure that IT risk management strategies are aligned and integrated with the Enterprise Risk Management Function; designed and implemented to achieve security, reliability, resiliency, interoperability and recoverability of data/information and information assets, systems/information security and stability such as ability to effectively respond to wide scale disruptions, including cyber-attacks and attacks on multiple critical infrastructure sectors.
- The committee shall receive periodic updates from IT Steering Committee to monitor all technology- related projects approved by the Board.
- The committee may prioritize IT investments and recommend on proceeding with proposed IT projects and programs.
- Periodically inform BoD on the latest development on cyber security action plan its implementation status and a summary report on major threats and attacks faced by the institution and their estimated impact on its operations.
- The Committee shall ensure that resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled.
- The Committee shall approve and receive periodic updates on major technology- related projects that may have significant impact on bank's operations, earning or capital. Further, the board shall also define the criteria for major projects.
- The committee shall review progress of the various IT projects within the allocated budgets and time frame.
- All the cloud based arrangements/ services shall be approved by Board IT Committee.

Board Strategy Committee (BSC) TORs

- Conduct regular reviews quarterly and provide recommendations to the Board concerning the Bank's Vision and Mission statements, as well as its strategic goals and objectives.
- Evaluate and advise the Board on the Bank's Strategic Plan and overall strategy.
- Assess matters of strategic significance and offer recommendations to the Board on key issues such as mergers and acquisitions, exploration of new business opportunities, strategic partnerships and alliances, adjustments to business and operating models, potential growth and expansion opportunities, technological advancements, marketing strategies, and initiatives aimed at enhancing customer experience.
- Support management in the formulation of the Bank's Corporate Strategy by reviewing and discussing the strategic direction, initiatives, key performance indicators (KPIs), and associated risks with the management team.
- Assess the processes for the development, approval, and modification of the Bank's strategy and Strategic Plan.
- Evaluate key issues, risks, and external developments impacting the Bank's strategy, and advise management on adopting viable and appropriate options based on management's recommendations. Additionally, review tactical adjustments to the strategic plan and initiatives in response to these key issues, risks, and external developments as proposed by management.
- Monitor the progress of the Bank's strategic plan and key performance indicators (KPIs) to ensure alignment with the Bank's strategic goals.
- Review, assess, and provide recommendations on performance measurement and recognition practices to ensure they remain aligned with the Bank's strategic objectives.
- Review and recommend updates on the annual branch network expansion plans, including international operations, establishment of companies/offices in new overseas locations, and submit recommendations to the Board for approval.
- Review and recommend Shariah Board reports, ensuring compliance with the SBP Shariah Governance Framework, for Board approval.

- Review and recommend matters related to shareholders and related parties to the Board, in consultation with the Chairman.
- Evaluate, review, and provide recommendations on the Bank's resource allocation plan to ensure alignment with the Bank's strategic objectives.
- Engage external consultants and seek expert advice on critical strategic matters and plans, whenever necessary.

Shariah Board

- To review and approve all the procedure manuals, product programs/structures, process flows, related agreements, marketing advertisements, sales illustrations and brochures so that they are in conformity with the rules and principles of Shariah.
- To take up and discuss with management all the significant and unresolved issues raised by Shariah compliance, internal Shariah audit, external Shariah audit and SBP's inspection report on Shariah Compliance and if necessary shall include all the significant outstanding issues in their annual Shariah Board Report.
- To issue annual Shariah Board report which will be placed before FBL BOD & will be published in FBL's annual report. The report will be based on the findings and reports of internal Shariah audit, external Shariah audit, Shariah compliance review and SBP Shariah Inspection. Furthermore, it shall also cover FBL IBD's Shariah compliance environment and conditions.
- | To review the periodical report submitted by Head SCD on the Shariah compliance environment of FBL-IBD.|
- To review the reports of Internal Shariah Audit, External Shariah Audit, Shariah Compliance Review and SBP Shariah Compliance Inspection, which shall be submitted to SB for consideration and prescribing appropriate enforcement action.
- To review and approve the Islamic Banking training plans.
- SB may discuss all the significant and unresolved issues with SBP inspection team during their on-site inspection.
- To review internal Shariah audit plan and to review & approve the scope, methodology, Internal Shariah audit manual and format of internal Shariah audit report.
- To undergo and attend training sessions and orientation programs related to the applicable legal and regulatory framework, banking, finance, treasury operations etc.

to improve their understanding of such matters in the context of an Islamic Banking Institution (IBI).

- To ensure that engagements of the RSBM other than FBL shall not hinder his activities at the Bank.
- The SB shall not delegate any of its roles and responsibilities prescribed in the Shariah Governance framework to any other person or any of its members.
- To perform and finalize appraisal of SCD, including Head SCD.
- To refer any Shariah issue for seeking opinion from SBP Shariah Advisory Committee.
- Review responses to Shariah related queries of FBL-IBD's clients regarding FBL-IBD's products and services as submitted by SCD.
- To discuss the significant and unresolved issues with SBP inspection team during their on-site inspection.
- To assist and advise SCD in its review of the proposals to be submitted to the SB.
- RSBM of the bank shall not serve in any capacity whatsoever, at any other IBI.
- RSBM of the bank may serve as member of Shariah Board of upto two IFIs, with prior approval of SB.
- RSBM shall not hold any administrative and/or full-time position with any organization / institution other than the FBL.
- All meetings shall be chaired by the SB Chairperson and in his absence one of the Shariah Scholar members, other than Resident Shariah Board Member, shall be elected as the acting Chairman to preside over the meeting.
- The minutes of the meeting shall be submitted to Islamic Banking Department of SBP for record, within 15 days of its approval/confirmation. Further, the minutes shall be made available to the BOD, SBP inspection teams, internal/external auditors on request, enabling them to appreciate and understand the rationale and background of the SB rulings, decisions and fatawa.
- The SB shall ensure that the minutes of the meeting are properly recorded, incorporating necessary details of all deliberations, decisions, rulings and fatawa issued along with rationale and difference of opinion or dissenting note, if any.

Board Meetings and Attendance

Attendance of Board of Directors Meetings during the year 2025

Attended by / Meeting Date	20-02-25	25-03-25	24-04-25	28-08-25	23-10-25	11-12-25
Mian Muhammad Younis	✓	✓	✓	✓	✓	✓
Ahmed Abdulrahim Mohamed Abdulla Bucheery	✓	✓	✓	✓	✓	✓
Yousaf Hussain	✓	✓	✓	✓	✓	✓
Juma Hasan Ali Abul	✓	✓	✓	✓	✓	✓
Imtiaz Ahmad Pervez	✓	✓	✓	✓	✓	✓
Ali Munir	✓	✓	✓	✓	✓	✓
Abdulah Ebrahim Mohamed Al Qasimi	✓	✓	✓	✓	✓	✓
Fatima Asad Khan	✓	✓	✓	✓	✓	✓
Mohsin Tariq	✓	✓	✓	✓	✓	✓
Sadia Khan	✓	✓	✓	✓	✓	✓
Mohamed Ahmed Bucheerei	—	—	—	✓ Co-opted on May 2, 2025	—	—

Board Audit & Corporate Governance Committee Meetings during the year 2025

Attended by/ Meeting Date	18-02-25	22-04-25	26-08-25	21-10-25	09-12-25
Ali Munir	✓	✓	✓	✓	✓
Ahmed Abdulrahim Mohamed Abdulla Bucheery	✓	✓	✓	✓	✓
Juma Hasan Ali Abul	✓	✓	✓	✓	✓
Mohsin Tariq	✓	✓	✓	✓	✓

Attendance of Board Risk Management Committee Meetings during the year 2025

Attended by / Meeting Date	19-02-25	23-04-25	27-08-25	22-10-25
Imtiaz Ahmad Pervez	✓	✓	✓	✓
Abdulah Ebrahim Mohamed AlQasimi	✓	✓	✓	✓
Ali Munir	✓	✓	✓	✓
Yousaf Hussain	✓	✓	✓	✓
Mohamed Ahmed Bucheerei	—	—	✓ Appointed on May 15, 2025	✓

Attendance of Recruitment, Nomination and Remuneration Committee Meetings during the year 2025

Attended by/ Meeting Date	19-02-25	25-03-25	23-04-25	26-06-25	27-08-25	22-10-25	10-12-25
Ahmed Abdulrahim Mohamed Abdulla Bucheery	✓	✓	✓	✓	✓	✓	✓
Juma Hasan Ali Abul	✓	✓	✓	✓	✓	✓	✓
Fatima Asad Khan	✓	✓	✓	✓	✓	✓	✓
Mohsin Tariq	✓	✓	✓	✓	✓	✓	✓
Sadia Khan	✓	✓	✓	✓	✓	✓	✓

Attendance of Board Strategy Committee Meetings during the year 2025

Attended by / Meeting Date	18-02-25	10-04-25	22-04-25	26-06-25	26-08-25	22-10-25	09-12-25
Mian Muhammad Younis	✓	✓	✓	✓	✓	✓	✓
Ahmed Abdulrahim Mohamed Abdulla Bucheery	✓	✓	✓	✓	✓	✓	✓
Juma Hasan Ali Abul	✓	✓	✓	✓	✓	✓	✓
Fatima Asad Khan	✓	✓	✓	✓	✓	✓	✓
Imtiaz Ahmad Pervez	✓	✓	✓	✓	✓	✓	✓
Yousaf Hussain	✓	✓	✓	✓	✓	✓	✓

Attendance of Board IT Committee Meetings during the year 2025

Attended by/Meeting Date	18-02-25	22-04-25	06-08-25	21-10-25	10-12-25
Sadia Khan	✓	✓	✓	✓	✓
Abdulelah Ebrahim Mohamed AlQasimi	✓	✓	✓	✓	✓
Yousaf Hussain	✓	✓	✓	✓	✓
Mohamed Ahmed Bucheerei	—	—	✓ Appointed on May 15, 2025	✓	✓

Attendance of Board Sustainability & Development Committee Meetings during the year 2025

Attended by/ Meeting Date	25-03-25	26-08-25
Mian Muhammad Younis	✓	✓
Abdulelah Ebrahim Mohamed AlQasimi	✓	✓
Fatima Asad Khan	✓	✓
Saida Khan	✓	✓
Yousaf Hussain	✓	✓

Board Meetings held outside Pakistan

No Board of Directors Meeting was held outside Pakistan during the year 2025

Role of the Board of Directors

The Board of Directors (BOD) is responsible for the oversight of Management, risk management, human capital management and overall strategy along with setting goals and targets for the profitability and growth of Faysal Bank Limited (the Bank). It accomplishes this function by setting the annual budgets, various other initiatives and targets and monitoring the same on a periodic basis. The Board has formed various Board Committees for a specialized and focused approach. It provides business and strategic leadership and direction for the Management within a framework of prudent and effective controls. The Board has set the Vision and Mission Statement of the Bank and promotes the collective vision of the Bank's purpose, its culture, its values and also demonstrates ethical leadership. The collective wisdom of the Board is translated into its decisions which form the basis for Management to achieve its targets. One of the primary roles of the Board is to enhance the shareholder value.

The Board is concerned with strategic matters and overseeing the business of the Bank in light of emerging risks and opportunities, on a regular basis and also involved in establishing and reviewing the strategies, yearly targets and financial objectives of the Bank. All the strategic decisions of the Bank have been taken by the Board.

Significant Issues/Matters discussed/approved by the Board of Directors:

The Board of Directors deliberated upon and/or approved the following Significant Issues / Matters:

- Un-Consolidated and Consolidated Financial Statements of the Bank on Quarterly, Half-yearly and Annual basis together with Directors' and Auditors' Reports along with Statement of Compliance of the Code of Corporate Governance.
- Annual General Meeting of the Bank and drafting, supervising and disseminating various reports and communications to the Shareholders of the Bank.
- Periodic Dividend payout and continued oversight on various performance indicators of the Bank to ensure a robust return to the shareholders.
- Related Party Transactions of the Bank.
- Appointment of External Auditors of the Bank for the year 2025.
- Management Letter issued by the External Auditors of the Bank and its compliance status.
- Performance evaluation of the Board's Sub-Committees.
- Matters as recommended by Board's Sub- Committees.
- Periodical review of Terms of Reference ("TORs") of Board's Sub-Committees.
- Performance Evaluation of the Board and its Sub-Committees.
- Focus on Environmental Social and Governance (ESG) targets and forming a Board Committee for continued oversight on ESG targets
- Bank's Policies including periodic reviews and amendments thereto.
- Annual Budget for the year 2026.
- Budget for FY 2025 and its implementation status.
- Formulation and Implementation of the Bank's Growth and Strategic Plan.
- Oversight and supervision of the HR and staffing of the Bank.
- Various SBP Inspection Reports along with Action Plan thereon.
- Various strategic equity investments by the Bank.
- Oversight on Fraud & Forgery matters.
- Profitability of various Business Functions of the Bank.
- Oversight and performance review of the Bank's group companies.
- Write-offs/Waivers approved at Different Authority Levels and recoveries thereto.
- Status and implications of all material law suits filed by and against the Bank.
- Annual Branch Expansion Plan of the Bank; Keeping up-to-date on significant Laws, Rules and Regulations and taking necessary decisions in respect thereof as required.
- Implementation status of the significant regulations issued by the State Bank of Pakistan or the Securities & Exchange Commission of Pakistan.

Role of the President and CEO

In the dynamic eco-system of Islamic Banking, the President and CEO of Faysal Bank serves as a visionary architect and leader, extending the role of the position beyond conventional leadership and management, and is critical in charting a course towards the growth, sustainability, and unparalleled excellence of the Bank as the Best Islamic Bank in the industry. The President and CEO's position demands an individual of exceptional caliber and character, equipped with a profound level of understanding of the financial eco-system, unwavering dedication to the Vision, Mission, and Values of the Bank, the ethos and principles of Shariah, Islamic Banking, and corporate governance, and the adeptness to lead the organization through the challenges and opportunities of a tough economic and competitive environment, rapidly changing technological eco-system, and stringent, multifaceted regulatory frameworks.

- The President and CEO leads as the linchpin of the organization. The position converts the strategic blueprints of the Board of Directors into actionable and impactful agendas and leads the establishment of strategic, business, operational, and regulatory compliance objectives of the organization, in order to ensure the growth and sustainability of the Bank's profitability, market share, regulatory standing, and unique identity in the market as the Best Islamic Bank.
- The President and CEO embodies the fundamental and strong level of trust between the Bank and its stakeholders, which include the Bank's sponsors, its customers, and a diverse range of stakeholders. A core mandate of the President & CEO is to foster and safeguard trust across all stakeholders, including shareholders, customers, employees, regulators, Shariah scholars, and the wider community. The role demands visible leadership by example, ensuring that ethical conduct, customer-centricity, transparency, and accountability are embedded across all levels of the organization and reflected consistently in business practices and decision-making. The position must lead by example, ensuring that the Bank's business and operational mandates establish high benchmarks for excellence in a customer-centric business.
- Fundamental to the President and CEOs mandate is the nurturing and inculcation of a corporate ethos and culture based upon the divine guidance of the Shariah, and reflected through the implementation of policies, procedures, and Islamic values across the organization, thereby cultivating a culture of transparency and accountability that creates a strong internal foundation upon which the organization can grow, and establishes a unique Islamic identity of the Bank in the market. This oversight extends to all spheres of interaction, encompassing the Bank's rapport with its Board, shareholders, employees, clientele, stakeholders, and regulatory entities. Central to the role is the cultivation of a strong Islamic corporate culture rooted in Shariah principles and values. The President and CEO ensures that the organisation's Islamic Banking framework is not limited to products, and structures, but is integrated into governance frameworks, policies, procedures, human capital practices, and organizational conduct.
- The President and CEO is a staunch advocate for a culture that focuses on ethical conduct, defined by its core values of Faith & Belief, Integrity, Teamwork, Innovation, and Care, whilst staunchly promoting diversity, equity, inclusion, and belonging across the organization, ensuring that these principles are integral components of the organisation's fabric
- The President and CEO must also lead the development and achievement of the executive team's performance objectives, establishing rigorous performance metrics, conducting periodic evaluations to evaluate performance across the board, and providing leadership and guidance, to drive performance excellence, and ensure alignment of Group specific objectives with the overarching strategy of the Bank.
- In safeguarding the Bank against multiple risks emanating from a rapidly changing environment, the President and CEO meticulously lead the curation of strategies that mitigate financial, business, operational, technological, and reputational vulnerabilities and establish the risk appetite of the Bank. The position is also instrumental in crafting and executing crisis management protocols that adeptly navigate unforeseen adversities that affect the performance, regulatory strength, and market image of the Bank. The CEO also facilitates external oversight assignments, collaborating with external specialists in a range of disciplines as required.
- The President and CEO is also at the forefront of increasing a culture of innovation and digital transformation across the organization, through driving emphasis on continuous innovation through Artificial Intelligence, Information Technology, and digital tools and resources, and optimization initiatives that enable organizational agility, transactional convenience, internal process optimization, cost-efficiencies, transition to Artificial Intelligence and digital solutions, and enable the delivery of an exceptional customer experience, thereby ensuring that the Bank remains equipped to deal with the challenges of a rapidly changing technological eco-system, and challenging customer expectations.
- The President and CEO also has a pivotal role in sustaining the regulatory strength of the Bank, by driving the criticality of regulatory compliance across the organization and engaging with multiple stakeholders

and regulatory authorities in order to accentuate the regulatory soundness of the Bank. This entails spearheading initiatives that provide assessments related to the Bank's level of Shariah compliance, risk mechanisms, internal audit, and regulatory compliance. The President and CEO ensures strict adherence to regulatory requirements, Shariah governance requirements, and international best practices. This facet of the position takes on added prominence in light of the Islamic regulatory framework, which has a profound impact on the identity, operations, and sustainability of the organization.

- The President and CEO also leads as the public relations and social responsibility ambassador of the Bank. The position leads the development and execution of a wide

range of initiatives that augment and strengthen the corporate and Islamic identity of the Bank in the market, whilst ensuring that the Bank contributes to the development of the nation and its people. As the leader of the only full-fledged conversion to an Islamic Bank, the President and CEO also serves as an ambassador and advocate of this strategic initiative for the Banking industry.

The President and CEO of Faysal Bank stands as a central figure in propelling the organization towards a future marked by adherence to the fundamental principles and values of Shariah, sustainable growth, business and operational excellence, and stringent regulatory adherence. The position requires a forward-thinking luminary, poised to tackle emerging challenges, whilst steadfastly upholding the Bank's legacy of excellence and integrity.

Annual Evaluation of the Board of Directors

In line with the best practices of the corporate governance FBL's Board since 2012 has conducted self-evaluation exercise on an annual basis by engaging Pakistan Institute of Corporate Governance (PICG) as an external facilitator which is the lead on Corporate Governance and has a team of consultants to conduct Board evaluations for companies and banks.

SBP Guidelines on Performance Evaluation of Board of Directors were implemented in August 2016 and accordingly, the FBL's Board in compliance thereof has conducted its self-evaluation to comply the same.

The evaluation covered various aspects of the performance of the Board including but not limited to: Board's role, Committees' performance, Training, Strategy, Risk Management, and Board Meetings. The evaluation covered:

- The Board as a whole
- Individual Director (Independent, Non-Executive and CEO)
- Board Committees

The evaluation was carried out using quantitative method based on subjective assessment, and was conducted via questionnaires developed by the consultants in conformance with the State Bank of Pakistan's Guidelines on Performance Evaluation of Board of Directors. The quantitative technique has the advantage of being specific and measurable. Measurement scale used in FBL's board evaluation is the summated rating on a scale of 1-10 depending on how strongly they agree or disagree with a given statement. The use of this method ensures specific and measurable data that can be benchmarked over time.

Director's Orientation

As and when new Director is elected or appointed on the Board, the Company Secretariat provides an orientation pack consisting on below mention documents:

1. Minutes of Board of Directors Meeting during the one year
2. Minutes of Board Committees during the one year
3. Minutes of Annual General Meeting during the last three years
4. Memorandum and Articles of Association of the FBL
5. Terms of Reference of Board Committees
6. Code of Conduct of FBL
7. Banking Companies Ordinance, 1962
8. Prudential Regulations

9. Companies Act, 2017

10. Code of Corporate Governance 2019

11. Corporate Governance Regulatory Framework 2021

12. Rule Book of Pakistan Stock Exchange

13. Any other relevant document if required

If desired by the incoming Director, we also arrange meetings with the Group Heads.

At the start of every three years Board of Director terms, we conduct the Directors Orientation Workshop through Pakistan Institute of Corporate Governance (PICG).

The Bank arranged Directors Orientation Workshop for newly elected Board Members through PICG on September 27, 2023.

Director's Training

As of December 31, 2025 the Bank is compliant in respect of the Directors' Training Requirement as laid down in the Code of Corporate Governance.

Out of Eleven (11) Directors, the following Ten (10) Directors are certified and have completed mandatory Directors Training Program:

1. Mian Muhammad Younis
2. Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
3. Mr. Yousaf Hussain – President & CEO
4. Mr. Ali Munir
5. Mr. Juma Hasan Ali Abul
6. Mr. Abdulelah Ebrahim Mohamed AlQasimi
7. Ms. Fatima Asad Khan

8. Mr. Mohsin Tariq

9. Ms. Sadia Khan

10. Mr. Mohammed Ahmed Bucheerei

Mr. Imtiaz Ahmad Pervez has attended and completed the Directors' Training Program, his final test is pending. Additionally, the Bank also arranged the following Trainings for the Board of Directors during the year 2025:

- Enterprise Artificial Intelligence (AI) Transformation in Banking by Mr. Usman-ur-Rehman Ahmed, AI & Cloud Innovation Leader, Advisor on Digital Transformation & Emerging Technologies-Systems Limited on October 21, 2025
- Role of Artificial Intelligence (AI) in the Banking Sector by Mr. Usman-ur-Rehman Ahmed, AI & Cloud Innovation Leader, Advisor on Digital Transformation & Emerging Technologies-Systems Limited on August 28, 2025

Oversight over Internal Controls & Systems

The Internal Audit (IA) in Faysal Bank limited (FBL) is an independent, objective assurance and consulting services activity designed to add value and improve the Bank's internal control environment. It helps the bank to accomplish

its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

Human Resources

At Faysal Bank, people are at the heart of everything we do. The bank places strong emphasis on developing its workforce by fostering a supportive environment that promotes continuous learning, skill enhancement, and professional advancement. By investing in its employees and encouraging a culture of accountability and excellence, Faysal Bank strives to build a resilient and high-performing organization where individuals are empowered to deliver their best.

The Human Resources function at Faysal Bank is designed to support this people-centric approach through a well-defined structure of specialized teams. Each unit plays a strategic role in aligning human capital initiatives with the bank's business objectives. Through effective talent management, comprehensive training programs, performance evaluation systems, and initiatives focused on employee well-being, the HR function ensures that the workforce remains motivated, capable, and well-equipped to meet the evolving demands of the financial sector.

Our Culture

We are committed to fostering a culture that is not only **safe and inclusive** but also firmly aligned with **Shariah principles**. This ensures that every employee feels respected, valued, and guided by ethical and professional standards in their daily work.

- **Faith & Belief** guides us in upholding Islamic values across all aspects of our work, emphasising honesty, humility, and trust in Allah's plan.
- **Care** helps us create a compassionate and supportive environment by fostering empathy, active listening, and trust.
- **Integrity** is the foundation of our culture. We prioritise transparency, steer clear of misleading practices, and uphold accountability, fairness, and honesty in all our interactions.
- **Teamwork** strengthens our believe in open, respectful communication and collaboration.
- **Innovation** enables us to foster a culture of creativity and idea-sharing.

Our values shape our actions, promoting a culture of excellence, respect, and continuous improvement. HR serves as the driving force behind this culture, grounded in the belief that greater staff engagement leads to superior business outcomes. Our employee engagement strategy is built upon three strategic pillars, each deeply rooted in our core values, to promote and sustain a culture of growth and success.



HR Advisory & Employee Engagement

At Faysal Bank, HR Advisory function is instrumental in shaping a robust and forward-looking people strategy that supports the Bank's strategic direction. The function works closely with business leadership as a strategic partner enabling them to achieve their ambitions and goals by implementing a tailor-made people agenda. Through effective talent planning, retention initiatives, leadership readiness, performance & productivity management, and structured development & engagement frameworks, the HR Advisory function, ensures that a strong organizational culture is in place for the Bank to achieve long-term sustainable performance.

Understanding the importance of continuity and capability across the organization, HR Advisory focuses on ensuring talent depth at all levels. Targeted initiatives to manage employee turnover, enhance engagement, and promote internal mobility contribute to a motivated and stable workforce. Furthermore, a disciplined approach to succession planning enables the Bank to build a strong pipeline of future leaders, ensuring operational stability and long-term value creation for all stakeholders.

Business Strategy - Design and Implementation:

In close partnership with the businesses, our HR advisory team has successfully translated organisational objectives into practical HR initiatives. This alignment ensures that our workforce is not only equipped with the necessary skills and expertise but also positioned to play a pivotal role in driving the Bank's success.

By integrating HR strategies with our broader goals, we ensure that every element of talent management—from recruitment to employee development—is directly aligned with business objectives. Our HR initiatives are designed to enhance the skills, capabilities, and performance of our employees, empowering them to make meaningful contributions to the Bank's growth and long-term vision.

Career Development Programmes:

Providing our employees with a rich and satisfying career landscape, HR advisory function has introduced more programs and ladders to inculcate a culture of learning and

growth. These initiatives include skill-building workshops, mentorship opportunities, and a wealth of educational resources designed to support continuous growth. In 2025, we proudly promoted 1978 employees as part of our commitment to fostering career advancement. By investing in the professional development of our team, we not only support their personal growth but also strengthen the capabilities critical to the Bank's ongoing success.

Program that were introduced last year has reaped the following benefits for employees and the organization.

Branch Distribution: 102 employees elevated to higher roles.

Branch Operations: 84 employees elevated to higher roles.

Consumer Finance: 70 employees elevated to higher roles.

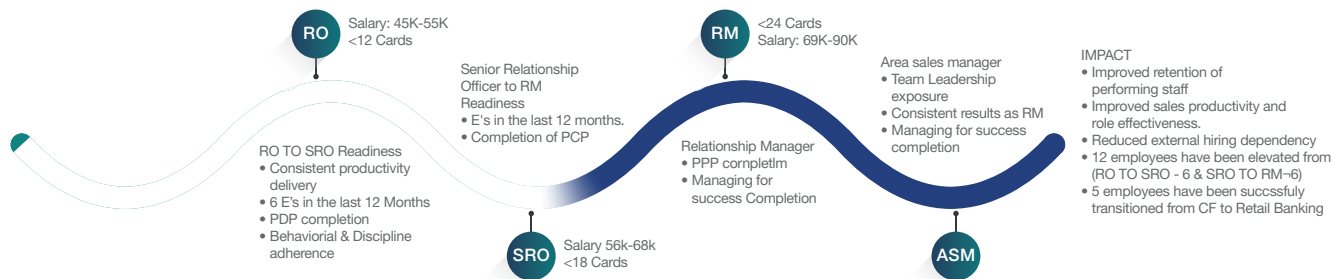
Pathways introduced/enhanced in 2025

Branch Operations:



Consumer Finance (CF):

Career Path - Role Elevation (Productivity Led Pathway)



Cross Functional Career Mobility (CF to Retail Banking)

RO CF ➔ SRO Retail Banking



Retention Strategies:

Employee retention continues to serve as the biggest contributor in Bank’s growth. An engaged, motivated workforce is our largest strength and our HR Advisory team continues to play a crucial role in developing and executing effective attrition control strategies. In 2025, a comprehensive analyses was carried out mapping attrition and engagement results. This gave us phenomenal insight that was translated into focused interventions. The effectiveness of these strategies is exhibited as under

2024 attrition* 11.46%

2025 attrition* 10.94%

*Voluntary resignation attrition

Employee Engagement:

At FBL, engagement is not just a buzzword. The Bank truly believes that an engaged workforce is a thriving workforce. Beyond sporting events, galas and workshops, FBL has graduated its engagement agendas where our employees openly express their views and the advisory function not just listens to them but act upon them. The Bank understands the difference between a happy employee and an engaged employee and this is translated into all HR interventions that includes but is not limited to career trajectories, line manager development, personal development, HR policies, work place safety etc. At FBL engagement is a culmination of fun, development, growth but most importantly being heard.

Following is a comparative analysis of FBL’s engagement journey

Drivers	2022 (%)	2024 (%)
Belonging	87.62	90.24
Alignment	82.79	87.49
Growth	77.97	83.01
Commitment	80.96	87.09
Future	-	87.35

Following are few initiates conducted during 2025

International Women’s Day

An inspiring wellness event for the women in CF & Risk, emphasizing care and inclusivity, The session Led by Mantahaa CEO of Mantahaa Lifestyle and Fitness Management, covered wellness, productivity and stress reduction through guided meditation, breathing exercises and mindful movements. Mr. Amin Chagan Head HR – Consumer, Operations & Support Functions also highlighted the number of women rejoining banking sector and their vital role in banks and their growth and success. Female employees enjoyed a nutritious meal and thoughtful giveaways, which were amazing emphasizing banks commitment to a supportive and thoughtful culture and banks way of caring for its employees where women can thrive.

Value in play: Care



Jashan-e-Azaadi Celebration:

The Consumer Finance and Risk teams in Multan celebrated Independence Day on the 12th and 13th of August with dynamic and engaging sessions, in collaboration with Bee Hive, led by Mr. Junaid Khan, who made the overall experience both fun and energetic for the teams. From the National Anthem and a quiz-style activity “Mera Pakistan Meri Pehchan” in which participants had to interact with others, gather answers to various questions, and share them with the group to a creative painting challenge designing stamps and currency notes, the activities sparked patriotism, imagination, and teamwork. A highlight was the fast-paced Digit Fidget game, where participants used number cards to quickly form 9-digit numbers, testing their coordination and speed. The two-day celebration turned into a memorable blend of bonding, laughter, and shared moments, concluding on a sweet note with refreshments for all.

Value in play: Teamwork



Employee Wellness Through Osteoporosis Awareness Camps

Faysal Bank Ltd, in collaboration with **CCL Pharmaceuticals** successfully organized **Osteoporosis Awareness Medical Camps** in Karachi, Lahore and Rawalpindi. The initiative aimed to raise awareness about bone health and encouraged employees to take a proactive approach to their well-being. This collaborative effort reflects Faysal Banks core value of **CARE**, reaffirming the bank's commitment to the health, safety and overall wellness of its workforce.

The camps offered **Free Bone Mineral Density Testing** to help employees assess their bone health followed by individual consultations with qualified doctors who provided medical advice, preventive care guidance and recommendations for maintaining healthy bones.

This initiative received an excellent response, with enthusiastic participation from over 600 employees across all three cities reflecting Faysal Banks ongoing efforts to foster a healthy, informed and engaged workforce.

Value in play: Care



MEN'S DAY 2025 CAMPAIGN – Honoring Men's Well Being with Care and Awareness:

Honoring Men's Well-Being through Awareness | Prostate Cancer Awareness Session

In honour of **Men's Day 2025**, Faysal Bank organized an engaging health awareness session aligned with our core value of Care, reinforcing our ongoing commitment to employee well-being. The session, conducted by **Dr. Shariq Anis**, Consultant at The Kidney Centre, provided valuable insights into key aspects of men's health. From raising awareness about **prostate cancer**, emphasizing early detection and risk factors, to discussing **BPH (Benign Prostatic Hyperplasia)** and helping participants understand symptoms and preventive measures, the session offered practical and informative guidance. In addition, Dr. Shariq shared actionable tips for **overall male well-being**, encouraging healthier lifestyle choices and proactive health management. The event created a meaningful and interactive learning experience for participants, fostering awareness, dialogue, and a stronger commitment to personal health.

Men's Day 2025 – Strengthening Men's Health Through Awareness & Preventive Care

In recognition of **International Men's Day**, Faysal Bank Ltd., in collaboration with **CCL Pharmaceuticals**, organized a dedicated Free Medical Camp to reinforce our commitment to Changing the Face of Men's Health. Highlighting the importance of preventive care, especially as **1 in 5 men over 50 experience bone loss or osteoporosis** - the initiative encouraged men to prioritize their well-being through early awareness and healthier lifestyle choices. Participants received **free Bone Mineral Density (BMD) testing**, **consultations with healthcare experts** on nutrition and bone health, and **supplement information and sampling**, making the experience both informative and impactful. The activity reflected our core value of Care, promoting stronger, healthier, and more empowered lives for men - at work and beyond.

Men's Day 2025 – Inter-Departmental Padel Tournament

As part of the **Men's Day 2025** campaign promoting men's health and active living, Faysal Bank hosted a high-energy two-day **Inter-Departmental Padel Tournament** at Padel X, Clifton, Karachi. With 74 teams on Day 1 and **22 advancing to Day 2**, the event displayed strong participation and sportsmanship from teams across the Bank, including members of the Management Committee.

The **HR Department** team—Mr. Amin Chagan and Mr. Talha Ramzan—emerged as champions, while the **Consumer Finance** team—Mr. Faraz Naseem and Mr. Ahmer Saleem—secured the runner-up position, receiving premium padel rackets for their performance. Additional activities such as volleyball and throw ball further strengthened teamwork and camaraderie. The prize ceremony, led by **Chief Compliance Officer Mr. Abadullah**, celebrated the players'

commitment and spirit. The tournament highlighted men's resilience and active lifestyles while fostering cross-department collaboration.

Values in play: Care



Cricket Tournament: Embodying Core Values through Sportsmanship

The year commenced on an energetic note with the arrangement of a cricket tournament for Back Office staff, aimed at fostering team cohesion, promoting physical wellbeing, and encouraging a healthy work-life balance. **The Faysal Premier League** was far more than a sporting event—it was a celebration of collaboration, passion, and the vibrant spirit of Faysal Bank. The tournament brought together employees from diverse departments, ensuring inclusive and balanced team representation. With families cheering enthusiastically from the stands, expert commentators bringing the matches to life and enabling live streaming on YouTube, the event emerged as a true highlight of the year and a testament to strong workplace camaraderie.

Values in play: Faith & Belief and Teamwork

Go Karting: Embodying Team Building and Stress Management

Building further on employee engagement various Go-Karting events were conducted for multiple units—including Credit Administration, Central Processing, Finance Control, Digital Banking, and Information Technology. Moreover, the events were designed to strengthen team bonds, enhance mental and physical well-being and foster camaraderie.

Values in play: Faith & Belief and Teamwork



Appreciation Beyond the Workplace

In addition to these activities, the Human Resources Unit introduced a thoughtful and meaningful initiative by extending appreciation beyond the workplace. Personalized letters were sent to the families of promoted employees, acknowledging their encouragement, and unwavering support. This gesture recognized the vital role families play in enabling employees to excel professionally and underscored the Bank's commitment to valuing the people and partnerships behind every success.

Values in play: Care

Performance Management: Rewarding Merit & Excellence

Faysal Bank's performance management framework is designed to reinforce a culture of accountability, high performance, and merit-based recognition. The Bank follows a structured remuneration approach that links compensation outcomes directly to individual performance, in line with its "pay for performance" philosophy. The Remuneration Policy is developed in accordance with the regulatory framework and supervisory guidelines issued by the State Bank of Pakistan, ensuring strong governance, transparency, and regulatory compliance.

Spot Rewards

To promote timely recognition of exceptional contributions, Faysal Bank has established a Spot Recognition mechanism

that allows for immediate acknowledgment of outstanding performance. This initiative enables the Bank to reward noteworthy achievements as they occur, independent of the annual appraisal process. By recognizing excellence in real time, the programme strengthens employee motivation and reinforces behaviors that support organizational objectives.

CEO's Club

The CEO's Club represents a premier recognition platform at Faysal Bank, established to acknowledge employees who demonstrate exceptional performance by achieving the highest rating in the annual evaluation cycle. Membership in the CEO's Club is conferred for a defined period of one year, up to the next appraisal cycle. This distinction reflects sustained excellence and serves as a powerful incentive for continued high performance across the organization.



Recognising Excellent Performance within CF.

As the Consumer Finance Productivity Cycle 2024–2025 concluded, we were proud to recognize the exceptional performance of our CF Sales team through an HR-led award initiative that celebrated top sales achievers across regions. These individuals consistently demonstrated dedication, resilience, and excellence, significantly contributing to our overall success. Award ceremonies held across the country highlighted their achievements and reinforced our commitment to fostering a high-performance culture. On this occasion, Mr. Aneeq Malik - Head of Consumer Finance extended heartfelt appreciation to the entire CF Sales team, acknowledging their vital role as the driving force behind our growth and encouraging them to continue striving for excellence in the year ahead.

Monthly Spot Awards.

As a part of the Bank's established monthly Recognition Program, duly approved by Senior Management, outstanding performance across CF – Sales functions is regularly acknowledged and commended. Top-selling

officers are identified each month based on merit and exceptional achievement, having consistently demonstrated exemplary performance by exceeding prescribed sales targets and volumes.

In recognition of their extraordinary contribution during the relevant month, these officers are accordingly considered for a Spot Award in line with the Bank's approved recognition framework.



Talent Management: Acquisition to Development

Talent Acquisition:

In 2025, Talent Acquisition (TA) continued to play a pivotal role in enabling Faysal Bank's growth, digital transformation, and long-term sustainability agenda. Operating as a strategic business partner, the function focused on delivering high-quality talent aligned with evolving business priorities, while embedding data, technology, and innovation into core recruitment practices.

Throughout the year, TA supported hiring across frontline, operations, technology, risk, support functions, and leadership roles. Strengthened workforce planning, disciplined demand management, and closer collaboration with business stakeholders enabled improved hiring precision and timely fulfillment of critical roles. The successful onboarding of structured talent pipelines, including Trainee Branch Services Officers (BSO), Relationship Managers and Trade Officers, further reinforcing branch banking, operations and trade business capabilities, supporting continuity and succession in key areas.

Advancing the Bank's Diversity & Inclusion agenda remained a core priority. Through targeted sourcing strategies and proactive outreach to underrepresented talent pools, female representation reached 25.5% of total hires, reflecting sustained progress toward a more balanced and inclusive workforce.

In alignment with Faysal Bank's broader Digital Transformation and Innovation roadmap, the TA function introduced artificial intelligence into the Graduate and Management Trainee recruitment framework through a strategic partnership with **TalentRx.Ai**. Leveraging explainable AI, automated chatbot-based pre-screening, and Predictive Index assessments benchmarked against high-performing trainees, the Bank enhanced objectivity, consistency, and scalability in early-career hiring. The AI-enabled process assessed approximately **500 applicants** to identify a focused shortlist of **50 high-potential candidates**, significantly reducing manual screening effort, improving time-to-shortlist, and strengthening data-driven decision-making—while maintaining a positive and transparent candidate experience.

The Bank also continued to strengthen future talent pipelines through sustained engagement with leading academic institutions, including NUST, LUMS, LSE, IBA, Habib University, FAST-NUCES, Bahria University, and IMS Peshawar, alongside participation in community-focused initiatives such as the Pakistan Hindu Council Job Fair, DIL & U-GO Scholars Career Fair, and ConnectHear Career Fair.

Overall, the Talent Acquisition function made a meaningful contribution to organizational readiness, digital capability building, and workforce transformation in 2025, reinforcing Faysal Bank's position as a forward-looking employer of choice and establishing a strong foundation to meet future talent requirements.



Job Role

Role will be responsible to handle the portfolio of SME & Commercial clients with focus on developing new business relationships.

Cities

Karachi, Hyderabad, Lahore, Gujranwala, Sialkot, Islamabad, Rawalpindi, Saigodha, Peshawar, Faisalabad and Multan

Eligibility

- Graduate/ post Graduate having minimum 18 years of qualification recognize from HEC or reputed foreign university.
- Maximum age limit - 26 years.
- Minimum CGPA 3.0 or 70%.




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Learning and Organisational Development (L&OD) at Faysal Bank



As Faysal Bank continued its strong growth trajectory in 2025, the Learning & Development (L&D) function played a critical role in **enabling business performance, leadership readiness, and cultural alignment**. L&D focused on building a future-ready workforce by strengthening professional capability, leadership depth, and behaviors required to operate in a regulated, service-driven, and increasingly digital banking environment.



L&D Strategy and Capability Framework

The Bank's L&D strategy is structured around an integrated capability framework that supports professional excellence, leadership readiness, and continuous learning. Learning interventions are delivered through a blended ecosystem comprising classroom learning, digital and mobile learning, structured programs, on-the-job application, and coaching, mentoring, and experiential initiatives. This approach enables scale while ensuring relevance across roles, regions, and career stages.

Learning programs are aligned with business priorities, regulatory requirements, and future capability needs. In 2025, focused investment was made in building digital awareness and advanced capability in Artificial Intelligence (AI) and emerging technologies, supporting the Bank's long-term digital transformation agenda.

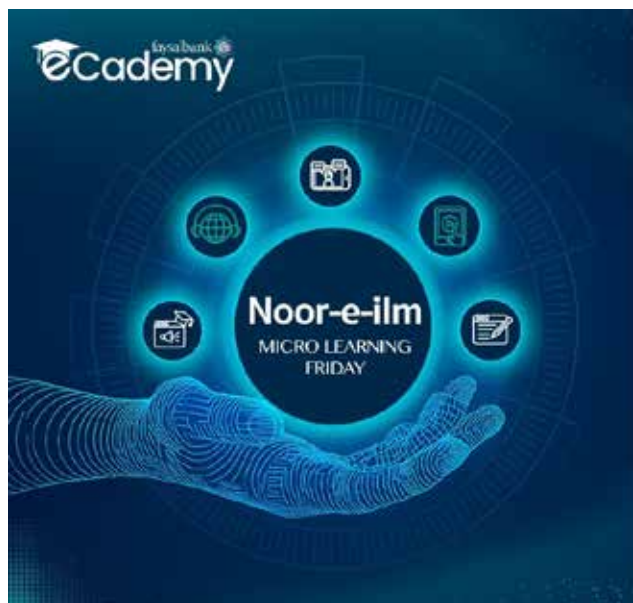
Digital Learning Enablement – Faysal eCademy

Faysal eCademy continued to serve as the central learning platform, enabling large-scale learning delivery, standardized assessments, and continuous knowledge reinforcement. The platform strengthened a culture of anytime, anywhere learning and supported data-driven talent and capability decisions.

During the year, eCademy evolved into a comprehensive learning ecosystem through:

- Expansion of role-based and regulatory digital assessments
- Introduction of digital learning badges to recognize progression and mastery
- In-house development of interactive eLearning content using Articulate Rise 360
- Launch of a curated digital learning library integrating micro learning, service culture content, and DEI resources
- Continued growth of the Noor-e-Ilm micro learning series to reinforce critical banking, service, and cultural concepts

These enhancements improved learning engagement, governance, and agility, while reducing reliance on external vendors.



Learning Delivery Trends: Strengthening a Scalable and Blended Model

Over the past six years, Faysal Bank's Learning & Development function has progressively evolved its learning delivery model to support scale, accessibility, and sustained capability building. As illustrated in the accompanying graphic, digital learning participation accelerated significantly between 2020 and 2025, reflecting the deliberate strengthening of the Bank's digital learning ecosystem through Faysal eCademy, mobile-first access, structured microlearning, digital assessments, and in-house content development.

Alongside this, classroom learning continued to play a purposeful role within the overall learning mix. In-person learning remains a key modality for leadership development, talent management programs, service excellence interventions, and culture-building initiatives where interaction, dialogue, and experiential learning are essential for impact. Together, these trends reflect the Bank's intentional adoption of a blended learning strategy—leveraging digital learning for scale, consistency, and agility, while deploying classroom learning for depth, behavioural change, and leadership effectiveness.

Based on annual report data, this graphic reveals a dramatic acceleration in online learning engagement, contrasting with a steady, yet smaller, presence of in-person formats from 2020 to 2025.

Based on annual report data, this graphic reveals a dramatic acceleration in online learning engagement, contrasting with a steady, yet smaller, presence of in-person formats from 2020 to 2025.

384% Growth in Six Years

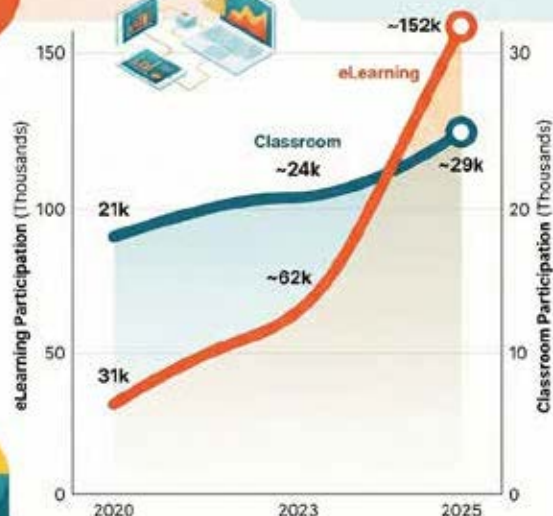
eLearning participation surged from ~31k in 2020 to over 152k in 2025.

Doubled Since 2023
The most significant growth occurred in the last two years of the period.

**43% Growth
Over Six Years**

Classroom participation saw modest growth, ending at +29k in 2025.

In-Person Learning Shows Recent Rebound
After a dip in 2024, classroom numbers reached a six-year high in 2025.



Leadership development is embedded within the L&D agenda as a structured talent management and succession readiness approach, designed to build leadership capability across supervisory, middle, and senior leadership roles.



LUMS Raising Executive Development Centre
LAHORE UNIVERSITY OF MANAGEMENT SCIENCES
 Raising Executive Development Centre
 Faysal Bank Leadership Development Programme:
 Navigating Through Changing Times
 October 9 - 11, 2024

[illegible]

As part of the Bank's talent management strategy, the **Emerging Branch Manager (EBM)** and **Emerging Branch Service Manager (EBSM)** programs were introduced to create a sustainable leadership pipeline for critical branch roles. These programs identify high-potential Relationship Managers and Branch Service Officers and prepare them for future leadership responsibilities through structured learning journeys, role-based capability development, and practical exposure—strengthening technical, regulatory, and operational readiness, reinforcing service leadership and people management capability, and supporting succession planning across the branch network.

Senior leadership capability was further strengthened through advanced international exposure programs, enabling members of the Management Committee to deepen strategic perspective and lead effectively through complexity and change.



Culture, Engagement, and Inclusion

Culture and engagement are intentionally integrated into learning and leadership development to ensure capability building translates into consistent behaviours and a strong organizational culture. Engagement-led initiatives focused on strengthening inclusion, collaboration, and a sense of belonging across the workforce.

Signature programs such as the **Amal Women Leadership Development Program**, **Pan-Bank Women Connect Sessions**, inclusive leadership workshops, disability sensitization initiatives, and women champion platforms reinforced diversity, equity, and leadership progression.



Recognition and Values-Led Engagement Initiatives

In 2025, L&D further strengthened a culture of appreciation and care through structured recognition initiatives. The Tuesday Thanks initiative was introduced as a recurring platform to acknowledge everyday contributions and positive behaviors across the organization. By embedding appreciation into weekly routines, the initiative reinforced gratitude, mutual respect, and people-centric leadership.



In addition, the Bank formally recognized employees returning from the **sacred journey of Hajj**, honoring an important personal and spiritual milestone through a personalized note signed by the President and a thoughtfully curated hamper. This gesture reflected respect for individual journeys and cultural values, strengthening emotional connection and reinforcing a culture of care beyond the workplace.



Functional, Islamic Banking, SME Trade Certification and Frontline Capability Development

Strengthening functional and Islamic banking capability remained a strategic priority, supporting the Bank's leadership position in Shariah-compliant banking. Structured certifications, refresher program, and role-based learning interventions deepened understanding and practical application of Islamic banking principles, delivered in collaboration with leading academic and industry institutions.

Targeted capability building for frontline and branch leadership roles focused on **Trade Operations, SME Banking, and Service Excellence**, ensuring learning outcomes translated directly into improved operational effectiveness and customer experience.



Service Excellence Enablement

Service excellence initiatives were designed to embed a service-led mindset across operations and the branch network. Leaders were positioned as service custodians, accountable for role-modelling service behaviors, managing service challenges, and building high-performing teams. **Service Culture Reels** were introduced as a weekly micro learning intervention to reinforce service values without disrupting daily operations.



Inclusive Learning Infrastructure

In 2025, L&D advanced the development of **inclusive learning centers** designed to provide equitable access to learning for a diverse workforce. First, such center was conceptualized as an accessible, safe, and enabling environment that accommodates varied learning needs, abilities, and learning styles ensuring inclusion by design across the learning ecosystem.

Learning Effectiveness and Governance

Learning effectiveness is monitored through a structured governance framework incorporating assessment outcomes, learner feedback, and application of learning on the job. Programs are continuously reviewed and refined using recognized evaluation approaches to ensure alignment with business priorities and measurable impact.

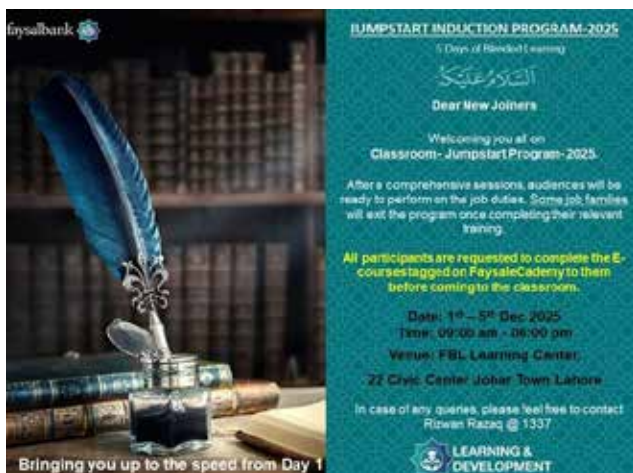
Looking Ahead

Learning & Development will continue to evolve as a strategic partner to the business, with ongoing focus on:

- Role-linked and job-family learning pathways
- Advanced digital and AI capability building
- Enhanced learning analytics, governance, and compliance enablement
- Scalable, inclusive, and future-ready learning experiences

Through this integrated approach, Faysal Bank remains committed to developing a skilled, agile, engaged, and future-ready workforce to support sustainable growth and long-term success.





Workplace Integration & Employee Benefits:

Faysal Bank remains committed to enhancing the overall quality of life of its employees by offering a comprehensive and competitive benefits framework. The Bank recognizes that employee well-being, financial security, and work-life harmony are critical enablers of sustained performance and engagement. Accordingly, a wide range of policies and benefits have been designed to support employees and their families at various stages of their professional and personal journeys.

Policy Development and Implementation:

The formulation and execution of employee-related policies are guided by a structured governance framework that ensures consistency, transparency, and regulatory compliance. HR policies are periodically reviewed to remain aligned with applicable regulations, industry benchmarks, and the changing expectations of the workforce. During the year, several policy enhancements were introduced with a focus on employee health, engagement, and workplace integration, reinforcing the Bank's people-first approach.

Flexible Benefit: Bank Provided Cars

As part of its flexible benefits offering, Faysal Bank provides official-use vehicles to employees in designated senior

management grades (RVP to EVP). This facility supports operational efficiency while enhancing employee convenience and mobility. The initiative reflects the Bank's continued efforts to offer meaningful benefits that contribute to improved work-life balance and overall employee satisfaction.

Education Subsidy for Children:

In recognition of the importance of education in family well-being, the Bank offers financial assistance to employees for their children's education through a structured reimbursement mechanism. The subsidy is disbursed on a quarterly basis and was enhanced during the year to offset the impact of rising education costs. Approximately 2,000 employees benefited from this initiative, underscoring the Bank's commitment to supporting employees beyond the workplace.

Employee Education Assistance Programme:

Faysal Bank actively promotes continuous professional development by supporting employees who pursue further education while remaining in service. Eligible full-time, confirmed employees may receive reimbursement for course and examination fees for approved part-time programmes at accredited local institutions. This programme supports skill enhancement, career progression, and the development of a future-ready talent pool.

Childcare Allowance:

To encourage workforce participation and support working mothers, Faysal Bank provides a monthly childcare allowance to eligible female employees. This benefit assists in managing daycare-related expenses and reflects the Bank's commitment to diversity, equity, and inclusion. In 2025, the allowance supported 780 female employees, contributing to a more inclusive and supportive work environment.



Staff House Finance - Step-up facility:

The Bank offers a dedicated housing finance facility for employees, designed to promote long-term financial stability and homeownership. A distinctive feature of this facility is a **one-year repayment deferment**, allowing employees to adjust to homeownership without immediate financial strain. Thereafter, **subsidized repayment** terms are applied to ensure affordability over the tenure of the facility.



Hajj Offering:

As part of its holistic employee engagement initiatives, Faysal Bank annually facilitates Hajj for selected employees. During the year, 10 employees, including one employee with a disability, were sponsored under this programme. In line with inclusive practices, the benefit was extended to caregivers where applicable, reflecting the Bank's respect for diverse needs and values.



Health Benefits:

Faysal Bank provides comprehensive health and wellness coverage to employees and their eligible dependents. Key components of the healthcare framework include:

- Group Life Takaful
- Salary continuation for the family of deceased employees for a defined period

- Group Hospitalization Takaful
- Preventive health screenings, including mammography for female employees
- Periodic executive medical check-ups

These measures are aimed at safeguarding employee health, providing financial protection, and promoting preventive care.

Leave Policies:

The Bank is committed to providing work-life balance in all aspects. The principal intent of the Leave policy is to provide employees time off for recovery, relaxation, and recreation purposes. The Bank is providing leaves to its employees in the following categories:

- **Annual Leaves:** To provide a reasonable break from work for a healthy work-life balance.
- **Casual Leaves:** To meet any emergency need.
- **Sick Leaves:** To support in case of any medical exigencies.
- **Hospitalisation Leaves:** Staff is entitled over and above of their sick leave to avail hospitalisation leave, in case of any medical emergency/hospitalisation.
- **Maternity Leaves:** Maternity Leave are granted to a female employee for a period of 90 (Ninety) calendar days, with full pay.
- **Iddat Leaves:** To facilitate employees w.r.t an unforeseen incident, "Iddat Leave" is available.
- **Pilgrimage Leaves:** On account of performing Hajj for Muslims and respective "holy places" for staff practicing other religions.

Gender Pay Gap Statement FY 2025

Following is the **Gender Pay Gap** information circulated for the year ended 2025, issued in accordance with **Circular 10 of 2024**. This statement summarizes the FBL's gender pay gap metrics for the reporting period and outlines the basis and approach used for the required disclosure.

1. Mean Gender Pay Gap:

Mean Gender Pay Gap - 2025	
Male : Female	1.74 : 1

2. Median Gender Pay Gap:

Median Gender Pay Gap - 2025	
Male : Female	1.25 : 1

3. Any other data / details as deemed relevant:

The Bank constantly implements policies that ensure gender pay parity is maintained. See table below

Management Level	Male : Female Ratio	
	Median	Mean
Senior Management	1.04 : 1	1.08 : 1
Middle Management	1.01 : 1	1.04 : 1
Junior Management	1.15 : 1	1.26 : 1

At FBL, we are committed to fostering a culture of equality and fairness, where compensation is determined solely by role requirements, relevant experience, and individual performance. We strive to maintain consistent, transparent pay practices supported by clear compensation frameworks and regular reviews to help ensure equitable outcomes across the Bank. Where gaps are identified, we take timely, data-led corrective action and reinforce accountability to uphold our commitment to fair and merit-based pay.


Yousaf Hussain
 President & CEO

Digital HR

Faysal Bank is advancing its HR operations through the adoption of modern digital solutions, providing employees with a flexible and efficient platform to manage their HR needs. This technology-driven approach allows staff to access HR services and information anytime, from anywhere, promoting convenience, transparency, and faster resolution of tasks. By integrating digital tools into HR processes, the Bank enhances employee autonomy, supports agile workflows, and reinforces a culture of innovation across the organization.

HR Connect:



Faysal Bank continues to prioritize innovation and operational efficiency through the implementation of HR Connect, a state-of-the-art human resource management platform. This advanced solution has streamlined HR processes while enhancing the overall experience for employees across the organization.

HR Connect provides a centralized, intuitive interface that allows employees to manage a wide range of HR-related activities independently. From reviewing salary and taxation information to updating personal records, submitting leave requests, managing transfers, processing resignations, and applying for financing, the platform offers a seamless, end-to-end solution. By enabling real-time tracking and reducing processing times, HR Connect ensures transparency and responsiveness, allowing employees to monitor the status of their requests with ease.

Covering the entire employee lifecycle—from onboarding to final settlement—HR Connect reflects Faysal Bank's commitment to supporting its workforce at every stage, empowering employees with autonomy and fostering a more efficient, connected, and digitally enabled workplace.

HR Operations & Employee Relations:

The HR function at Faysal Bank is strengthened by a dedicated **Operational Risk Unit**, which oversees day-to-day risk management and ensures adherence to both regulatory requirements and the Bank's internal Standard Operating Procedures (SOPs). This unit plays a vital role in safeguarding operational compliance and mitigating risks across HR processes.

In addition to its risk oversight responsibilities, the unit contributes to the development and refinement of HR policies, leveraging industry best practices to ensure alignment with evolving business and market dynamics. Through these efforts, Faysal Bank reinforces its position as an employer of choice, fostering a professional and supportive work environment that attracts, engages, and retains high-caliber talent.

HR Operational Risk Management:

Faysal Bank's **HR Operational Risk and Policies Unit** operates within a robust risk management framework designed to proactively identify, assess, and address potential risks across HR operations. This structured approach ensures that all HR processes remain fully compliant with regulatory standards, industry best practices, and the Bank's internal policies.

By promoting a culture of accountability and adherence to compliance standards, the unit safeguards operational integrity, mitigates potential vulnerabilities, and supports the Bank's commitment to effective governance. Its efforts are integral to maintaining a secure, efficient, and resilient HR function that protects both employees and the organization.

HR Service Desk:

The **HR Service Desk** at Faysal Bank serves as a centralized point of contact, providing employees with efficient, reliable, and comprehensive support for all HR-related queries. From clarifying policies and guiding staff on benefits to addressing day-to-day HR concerns, the Service Desk ensures timely and accurate assistance, streamlining communication between employees and the HR function.

This initiative is integral to the Bank's commitment to delivering an exceptional employee experience. By offering personalized support and fostering transparency, the HR Service Desk enhances operational efficiency and reinforces a culture of trust and engagement. It reflects Faysal Bank's broader objective of creating a responsive and supportive work environment, where employees feel empowered, valued, and equipped to thrive.



Employee Relations:

Faysal Bank's approach to **Employee Relations** is guided by principles of fairness, transparency, and continuous development. Our strategy is designed to ensure that all employees experience a supportive, ethical, and growth-oriented workplace, in alignment with the Bank's CODE & Values.

Rather than relying solely on corrective measures, the strategy emphasizes professional development and empowerment, fostering a culture where employees are encouraged to learn, grow, and contribute meaningfully to organizational success. Over the past year, initiatives such as professional development workshops and employee enrichment programmes have reinforced our commitment to nurturing a positive workplace culture.

By promoting open communication, continuous learning, and holistic well-being, Faysal Bank creates an environment in which employees can thrive. This focus on engagement, ethical conduct, and personal growth underpins our mission to drive sustainable organizational excellence while ensuring the welfare and satisfaction of our workforce.

Faysal Bank Inaugurates its First of its Kind Self-Serve Digital Lobby



Faysal Bank recently unveiled its, first of its kind digital-experience-center at its regional head office in Lahore. The 'Faysal Self-Serve Digital Lobby' aims to provide customers with an intuitive 24/7/365 experience through its state of the art in-branch-digital-solutions.

The Faysal Self-Serve Digital Lobby, offers unique market-first features, where amongst other services, customers looking for an instant replacement of their card can simply walk-in and walk-out with their Fayal Debit or Noor card in less than five minutes. The lobby also boasts first of its kind interactive, self-service-kiosks operating as Virtual Relationship Managers, offering instant sign-ups, real-time access to account details, demographic updates and a host of other services.

Faysal Bank has established itself as one of the most innovative and leading Islamic Banks in the country and it continues to lead the way with its unique and industry-leading digital banking solutions.

بڑھو۔ یقین کے ساتھ

faysalbank 

Disclosure Relating to Remuneration Policy

Purpose and Scope

The Bank has developed a fair, objective, transparent and sound Remuneration Policy that is aligned with risks and responsibilities of Financial Intermediation.

The scope of Remuneration Policy covers all employees across the Bank who are materially responsible for risk taking or risk controlling activities.

Objectives

Following are the main objectives of Remuneration Policy:

- To promote and be consistent with sound and effective risk management and not encourage risk-taking that exceeds the risk thresholds of the Bank.
- To ensure that the remuneration practice is in line with the Bank's objectives, taking into consideration all major risks that the Bank may face, and promotes and supports long-term sustainable performance.
- To align remuneration with risk appetite and with the conduct expectations of the Bank, regulators and stakeholders; and
- To attract, retain and motivate highly qualified employees, but also reward those who promote corporate values with incentives correlated to the long-term value generation.

Governance Framework

The Bank's Governance Framework with respect to the aforementioned Guidelines, aims at guaranteeing an appropriate control on remuneration practices, ensuring that decisions are taken with sufficient independence and in an informed way, by such authorities and functions, to which different responsibilities are delegated.

The Board of Directors (BOD) reviews, approves and monitors implementation of the Bank-wide remuneration policy, based on the recommendations of Recruitment, Nomination and Remuneration Committee (RNRC). In addition, the BOD through RNRC, shall review remuneration structure including composition of fixed and variable remuneration of President & CEO, Chief Operating Officer (COO) and Senior Management (excluding Head Internal Audit). Whereas BOD through Board Audit & Corporate Governance Committee (BACGC) reviews Head Internal Audit's remuneration structure including composition of fixed and variable remuneration.

The RNRC oversees the Bank's remuneration program along with its other approved Terms of Reference. One of its key responsibilities is to approve the list of employees identified as MRTs and MRCs, in accordance with the specified criteria.

The President & CEO provides support to HR in the development and implementation of Remuneration policy amid review and recommend compensation structures of the Senior Management Team and approve structures for other MRTs/MRCs. The President & CEO also reviews and recommends to RNRC, malus application for withholding deferred compensation of MRTs/MRCs (including Senior Management), in case of any event resulting in loss to the Bank that is directly attributable to the respective MRT/MRC.

The Business groups and support functions provide adequate support to HR in implementation of this policy.

HR bears primary responsibility for the development, dissemination, coordination and consistent application of the Remuneration policy. Some of its key responsibilities include; Determination of compensation structures, deferrals percentages and periods for all MRTs and MRCs; and Finalization of the deferral pool mechanism through an established Fund and ensuring close coordination with the Trustees of Fund, for deferral compensation management.

MRT/MRC Inclusion Criteria

The inclusion criteria have been developed in accordance with the Guidelines and applicable best practices, and comprise of two sections, namely, the Qualitative and Quantitative MRT/MRC criteria.

Qualitative Inclusion Criteria

The following qualitative criteria has been applied for identification of MRTs and MRCs:

- President & CEO and COO;
- Members of the Senior Management;
- Members of critical Management Committees;
- Heads of critical functions responsible for managing business amid risks and controls; and
- CEO of Faysal Asset Management Limited (a subsidiary of FBL).

Quantitative Inclusion Criteria

The Bank has carried out detailed assessment of individuals subjecting the Bank to significant risks. The materiality of significant risks has been determined through the quantitative criteria for each major risk type i.e., i) Credit Risk; ii) Market Risk; iii) Operational Risk; iv) Liquidity Risk; and v) Financial Expenditure Approval Authority.

Annual MRT/ MRC Assessments

HR conducts risk assessments for identification of MRTs and MRCs as per the quantitative and qualitative criteria and

present to the President & CEO for review and recommending to the BACGC/RNRC for onward submission to BOD for approval.

Compensation Structure

The Bank offers a compensation structure with a balanced mix of fixed and variable elements, in order to encourage behaviors focused on the achievement of long-term sustainable results, as detailed below: -

Fixed Remuneration

Fixed remuneration comprises of base salary (including annual increment therein) and role-based fixed allowances, if applicable. Fixed remuneration shall not vary with performance and is payable, in accordance with HR Policies.

Variable Performance Based Remuneration

Variable remuneration takes into account Bank's performance, Group's performance, business unit/ product's performance and individual's performance. Underachievement of financial performance, taking excessive or undue risks, customer experience, audit/internal controls/compliance issues etc. are generally considered for determining risk-adjusted variable remuneration.

Other Benefits

Other benefits are awarded on the basis of individual employment contracts and local market practices. These may include staff financing, expense allowances/reimbursements, life takaful, medical care and relocation allowances etc. These benefits shall not be subject to deferment requirements for MRTs and MRCs.

Performance Measurement of MRTS and MRCs

Performance management is a core people management process at FBL which aligns individual performance objectives with the Bank's strategy and priorities, to achieve sustainable and successful performance. Significant points of Performance Management are given below: -

Risk-adjusted Balanced Scorecards for Performance Evaluation of MRTs/ MRCs

FBL has developed risk-adjusted balanced scorecards for all MRTs and MRCs for their performance measurement, which ensures establishing a correlation between and alignment of risks and rewards. These risk-adjusted balanced scorecards are prepared at individual levels, incorporating various financial, non-financial/ qualitative and risk-adjusting factors.

The performance measurement through risk-adjusted balanced scorecards is also subject to application of an overriding/adjusting factor by the relevant scoring authorities/ assessors to account for any circumstances not in control of the individual MRT/MRC whose performance is being assessed.

Further, the assessor may also consider reducing, or zero rising the variable compensation of the individual MRT/MRC, in case the individual does not achieve reasonable minimum/hurdle score in any of the critical factor, category or on an overall basis. In addition to reducing or zero rising variable compensation, disciplinary action may also be initiated in case of significant adverse performance against any risk adjusting factor.

Deferral Mechanism

A certain portion of variable compensation of the MRTs and MRCs is subject to mandatory deferrals for a defined period, thus creating alignment between the employees' and stakeholders' interests and reinforcing that compensation is appropriately linked to longer-term sustainable performance.

Deferral Period & Percentages

The deferred amount is withheld for a defined period whereas remaining portion of the variable compensation is paid upfront to the MRT/MRC. The deferred remuneration vests proportionately over the deferral period following the year of variable remuneration award. The deferred portion of the variable remuneration along with the profit accrued shall be paid to the MRT/ MRC on vesting, proportionally through yearly installments, during the deferred period in case no malus triggers are applicable. In case of malus and where accountability has been determined, the entire or certain portion of the deferred remuneration is withheld and not paid to the MRT/MRC on it becoming due.

Settlement of Deferred Remuneration

As mentioned above, the amount withheld shall be paid proportionately during the deferral period, even if that individual is no more an employee of the Bank. The Bank continues to make payment of the deferred amount proportionately for the remaining deferral period, regardless of whether the employee has resigned, or has been retired or terminated, except in case of malus. However, the entire deferred remuneration shall be paid immediately in the event of death.

Shariah Board Members' Remuneration

The services of Shariah Board members have been acquired on fixed period contract basis. They are provided a fixed remuneration comprising of monthly honorarium and allowances/other benefits along with award of Bonus based on their performance, as per their respective contracts. The Other Benefits may include expense allowances/reimbursements, medical care, life takaful, etc.

Policy for Security Clearance of Foreign Directors

The Foreign Directors elected/Co-opted on the Board of Directors of the Bank require security clearance from the

relevant Ministry. All legal formalities and requirements in this regard are met.

Governance Practices Exceeding Legal Requirements

FBL respects the country's laws and ensures meticulous compliance of applicable laws, rules & regulations. We have successfully adapted our practices to reflect the changing standards of evolving governance regulations. We are committed to the highest standards of corporate governance. We meet corporate governance legal requirements in Pakistan, as well as the best practices recommended by PSX and SECP.

Following are some of the practices of the Bank which exceed the minimum legal requirement:

- The Board has constituted 6 board Sub- Committees vis-à-vis the requirement of having 4 board committees and has also from time to time formed board committee(s) for specific assignments along with specific targets in order to carryout different roles & responsibilities.
- The Bank has only one Executive Director (President & CEO) though permitted two executive directors by SBP and four (one third of the Board as executive directors) under Listed Companies (Code of Corporate Governance) Regulations – 2019.
- The Board receives and accordingly, reviews the detailed performance report of each Board Committee on a periodic basis.
- The Board receives and considers a detailed report on every meeting of the Board Committees from the Chairmen of the Board Committees.
- Focus on Environmental Social and Governance (ESG) targets and forming a Board Committee for continued oversight on ESG targets.
- The Bank has a comprehensive Code of Conduct along with mechanism for implementing and monitoring the same and has taken necessary steps to disseminate it throughout the Bank along with its supporting policies and procedures.
- The Board has given specific mandate with requisite authorities and powers to the Board Audit & Corporate Governance Committee to monitor and oversee the corporate governance practices, procedures, ethical standards and controls along with legal and regulatory compliances in the Bank.

Conflict of Interest

The Bank has adopted robust policies and procedures with respect to identifying, reporting and managing conflicts of interest, and the situations that may lead to it. The directors hold fiduciary duties of care and loyalty to the Bank and to protect the shareholders'. One of the key duties includes avoiding and averting a situation where the directors' personal interest may possibly conflict with their duty to the Bank.

Conflict of interest may arise in several situations, and in order to identify, report and manage any possible conflict the Board has adopted several measures which include:

- A policy and procedural framework.
- Board Members and Executive Management disclose their interests, including their interests in other entities, on a periodic basis.
- Board Members at the start of every Meeting confirm to the Chairman whether or not they have any conflict with respect to any agenda item to be discussed in the Board Meeting.
- A Board Member in a conflict of interest situation exits the Boardroom when such a matter is being deliberated upon and refrains from deliberating and discussing on the said issue.
- Any other measure which may be appropriate in light of legal and regulatory guidelines.

Director's Interest in Significant Contracts and Arrangements

None of the Directors have any [direct/personal] interest in significant contracts and arrangements of the Bank. However, every director of the Bank who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, either ongoing or forthcoming,

discloses the details of her or his involvement during a Board meeting, adhering to regulatory guidelines. A director with such an interest refrain from participating or voting during the deliberations of the Board meeting related to that particular contract or arrangement.

Related Party Transactions

The Board of Directors has approved Policy for Related Party Transactions. The Bank's policy is to conduct all the related party transactions on an arm's length basis in the normal course of business. If a transaction is not conducted on arm's length basis, then specific approvals or ratifications are required by the Board on recommendation of the Board Audit & Corporate Governance Committee (BACGC) of the Bank in order to avoid any potential conflict of interest.

The policy specifies that all transactions entered into with related parties shall require Board's approval on the recommendation of the BACGC of the Bank, which is chaired by an independent director of the Bank except for those held with employees as per their terms of employment or a policy of the Bank.

Every director (including their relatives) of the Bank who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank shall provide information about the nature of his concern or interest in the form specified and shall cause it to be disclosed at the meeting of the board held immediately after the date of the notice. No director of the Bank shall, as a director, take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank, if he / she is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his / her presence count for the purpose of forming a quorum at the time of any such discussion or vote.

During the year, the Bank has entered into transactions and contracts with the related parties i.e. subsidiary company, associates, post-employment benefit plans for the Bank's employees, Key Management Personnel (KMPs), close family members of KMPs and other related entities. Those transactions include financing to, and deposits from the related parties,, acceptances and off balance sheet transactions and provision of other banking and financial services that are carried out in the ordinary course of business on an arm's length basis at commercial rates, except for the transactions that KMPs have availed under HR policy of the Bank. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

During the year, no contract or arrangement has been entered into with related parties other than in the ordinary course of business on an arm's length basis.

The Bank has made detailed disclosures about related party transactions in its financial statements annexed with this annual report.

Policy for Safety Records of the Company

Records management at Faysal Bank follows the structured and systematic framework covering from record creation, maintenance, usage, retention and disposition of records. The framework ensures that records with legal, financial, administrative, or historical significance are securely preserved and readily accessible, while records that have fulfilled their retention period are disposed of in controlled and compliant manner.

Faysal Bank has entered into an agreement with specialized service provider to implement comprehensive records management processes, controls, and guidelines in line with the ISO 27001 standard. These measures govern the proper

handling, protection, retention, retrieval, and disposition of recorded business information generated in the course of daily operations and are essential to the Bank's service capability and regulatory compliance.

Faysal Bank places the highest priority on the safety, confidentiality, and security of customer records. Robust policies and procedures have been established to safeguard all banking information at every stage of its lifecycle. The Bank remains fully committed to protecting customer privacy and ensuring that all records are managed in a secure, compliant, and responsible manner.

Whistle Blowing Policy

FBL is committed to maintaining a culture of the highest standards of ethics, integrity, transparency and competence in its business & customer handling while ensuring compliance with its Code of Conduct & Code of Ethics. FBL provides open and safe workplace environment for employees and third parties. Staff or any other person who has a genuine concern about any wrongdoings or misconducts can report through dedicated whistle blow channels. This helps uphold public trust and confidence in the integrity and professionalism of the services provided by the Bank.

Reportable Matters

FBL does not want to condone and become party to any form of inappropriate conduct, unethical behavior or fraudulent activities. Employees, customers or any third party are encouraged to Speak Up immediately if they form a reasonable suspicion; that any of the criminal and unethical conducts have taken place / is taking place / intend to occur in the future.

During the year, 02 cases were reported through Whistle Blow channels.

Whistle Blow Channels

FBL provides, employees & third parties with access to specific, independent, confidential and secure channels to Speak Up.

- Email: whistleblowdesk@faysalbank.com
- Whistle Blow Hot Line: 021-38733000
- Intranet:
[http://fblintranet.faysalbank.com/sites/Bankopedia/Manual Center/Whistle Blowing Policy](http://fblintranet.faysalbank.com/sites/Bankopedia/Manual%20Center/Whistle%20Blowing%20Policy)
- Internet:
<https://www.faysalbank.com/quick-links/whistle-blowing>

- Postal address: "Whistle Blow Desk Faysal House, Business Compliance, Compliance Function, 2nd Floor, ST02 Shahrah-e-Faisal Karachi, Pakistan"

All Speaking Up disclosures are recorded, reviewed and independently investigated by concerned Functions. It may also be noted that abuse of channels based on false statements and facts are not entertained.

Protection For Whistle Blowers

Faysal Bank reinforces a secure and effective whistleblowing mechanism to enable early reporting of misconduct, fraud and ethical violations, supported by clear governance and accountability. In line with the Board-approved Ethics and Whistleblowing Policy, all disclosures are managed through an independent investigation process with robust confidentiality controls. The Bank takes all reasonable measures to protect whistleblowers from retaliation, victimization, harassment, or penalization. The identity of the whistleblower and all related disclosures are kept strictly confidential.

Reporting To EC & C&FRC & BACGC

The Ethics sub-Committee (EC), Compliance & Fraud Risk Committee (C&FRC) and Board Audit & Corporate Governance Committee (BACGC) have an oversight on matters related to unethical conduct and whistleblowing complaints. For EC & C&FRC & BACGC consumption, whistle blow complaints along with status update on investigations/resolution is quarterly reported.

Enterprise Resource Planning (ERP)

How it is designed to manage and integrate the functions of core business processes/modules like finance, HR, supply chain and inventory management in a single system;

An ERP system consists of software components, or modules, each of which focuses on a distinct business process. ERP is distinguished from standalone applications by its central database that records information from the business transactions and other actions carried out in the modules, and by integration that allows the modules to communicate with each other and with the common database. In Faysal Bank we are using ERP for procure to pay cycle, fixed assets recording and corporate financial reporting.

Management support in the effective implementation and continuous update;

Faysal Bank management continuously reviews process flows for effective implementation and updates are incorporated as and when required.

Details about user training of ERP software;

Training employees to use ERP system effectively, is critical to the success of any implementation or upgrade project. FBL conducts user training session to ensures the efficient and effective use of the ERP system by the employees. Training gives users the opportunity to understand their work's relation to other functional areas.

How the company manages risks or control risk factors on ERP projects;

The impact of risks on project outcome are determined with the involvement of the representatives of both project team as well as the ERP implementation partner. They devised mitigating strategies for each risk through brainstorming, which are conducted by the project manager. The project manager has overall responsibility for managing all risks and discussing closing actions, due dates, priorities and risk impacts to ensure that risks are being actively managed. High probability and high impact risks are escalated to be analyzed and resolved.

How the company assesses system security, access to sensitive data and segregation of duties.

Segregation of Duties are achieved by restricting user access to conflicting activities within the application. It is essential to rely on a reliable information system and to ensure security of the data. In FBL user management and roles assignment are managed by an independent team. Any activity with respect to user management is duly approved by concerned authority. In FBL Oracle E Business Suite is operated on private network to prevent access of financial data from outside.

Evaluation at the Board Level External Consultant

Evaluation at the Board level is carried out on annual basis through M/s Pakistan Institute of Corporate Governance (PICG) which is an external independent evaluator. Each

Board committee also carries out its own evaluation to be submitted to the Board.

Investors' Grievances Policy

The Board of Directors, President & CEO and Company Secretary ensure that all the Material and price-sensitive information is disclosed in compliance with the regulatory requirements which includes Financial Results, entitlement of corporate information, significant change in financial conditions, current and expected business performance etc.

With respect to shareholder related matters the Bank has appointed a reputable and experienced share registrar services. In addition, contact details of the designated personnel of the Bank for assisting the shareholders and handling their requests and complaints are also prominently displayed in the relevant section of the Bank's website.

Details of Executive Director is serving as Non-Executive Director

Mr. Yousaf Hussain, P&CEO serving as non-executive director on the following companies:

- The Institute of Bankers Pakistan - Director
- Pakistan Business Council – Director
- Pakistan Banks' Association – Vice Chairman
- Faysal Assets Management Ltd - Chairman
- Overseas Investors Chamber of Commerce & Industry (OICCI) - President
- Habib University Foundation - Director

Presence of the Chairman of the Audit Committee at the AGM

All Board of Directors along with the Chairman Audit Committee presented in the AGM held on March 25, 2025

Report of the Board Audit and Corporate Governance Committee

The Board Audit and Corporate Governance Committee (“BACGC or Committee”) of Faysal Bank Ltd (“FBL or Bank”) comprises four directors having experience and knowledge of Banking, Corporate Governance, Corporate Social Responsibility, Finance, Asset Management, Audit and Accounting. Out of the four members, two are Independent Directors and two are Non-Executive Directors. The Chairman of BACGC is an independent director. The Terms of Reference of BACGC (“TORs”) have continuously been revised and updated as and when required by regulatory guidelines and/or best international practice with the approval of the Board of Directors (“BOD or Board”) of FBL. Accordingly, in 2025 the TORs were reviewed and approved by the BOD.

The Committee focused on FBL’s financial statements, related party transactions, effectiveness of FBL’s Internal Control Environment, Compliance Risk Management, Operational Risk Management Framework and application of Regulatory & International Accounting and Auditing Standards as well as compliance requirements of Corporate Governance best practices, controls over risk areas of provisions and risk of fraud in revenue recognition. The Committee reviewed and approved the Internal Audit Strategy, Audit Charter, Annual Internal Audit plan, Internal Audit/Shariah Audit Manual, and the Annual Compliance Plan, as per requirements of SECP’s Code of Corporate Governance (“COCG”), SBP’s Guidelines on Internal Audit Function and Compliance Risk Management Framework. The Committee ensured proper allocation of sufficient resources to both the Internal Audit and the Compliance functions, to enable both functions to successfully implement their annual plans and other activities. The Chief Audit Executive was given unrestricted access to approach BACGC to ensure proper and timely reporting in all concerned audit & compliance matters. The Committee convened four mandatory meetings and one additional meeting on need basis, during the year 2025.

Major activities undertaken by the BACGC to improve the overall performance of FBL during 2025 were as follows:

- BACGC reviewed and examined the unconsolidated and consolidated quarterly, semi-annually and the yearly Financial Statements for 2025, along with Director’s review report of FBL, which were approved by the Board on its recommendation. BACGC reviewed all categories of related party transactions with assurance from management that all transactions were undertaken at arm’s length basis and reviewed them and reported the same for Board’s consideration, which were approved by the Board. The Committee also reviewed quarterly updates on capital expenditures against budget.
- BACGC also held detailed discussions with the external auditors on audit scope for the year 2025 as well as on major observations made in their management letters and reviewed management’s response thereto. The Committee ensured independence of the external auditors and their unrestricted access to FBL. BACGC also reviewed the internal process undertaken by the external auditors to ensure compliance with the Revised International Standards on Quality Management (“ISQM”). The appointment of external auditors for the year 2025 and their fees were recommended to the Board and approved by the shareholders during its AGM held in March 2025 on its recommendation. BACGC also reviewed the Long and Short Form Reports on Shariah Compliance Environment as of December 31, 2024, issued by the external auditors.
- BACGC reviewed the impact of Minimum Deposit Rate (“MDR”) applicable to Islamic banks and also reviewed the impact of the change in tax regulations pertaining to Advances Deposits Ratio (“ADR”).
- BACGC quarterly reviewed and monitored the accuracy of Financial Disclosure Format as per SECP regulations and State Bank of Pakistan’s requirements.
- BACGC ensured that the management establishes and maintains adequate and effective Internal Control systems and processes and reviewed and monitored the implementation of the Annual Internal Audit Plan for the year 2025 and the Internal Audit Department’s (“IAD”) high risk observations along with the management’s corrective action plan in accordance with targeted dates. The BACGC reviewed the implementation of revised Internal Auditing Standards. The Committee also reviewed and approved the changes in the IAD Strategy for the period 2024-28 and aligned it with the overall strategy of FBL. The BACGC also reviewed the independence, adequacy and quality of IAD resources.
- BACGC reviewed and monitored the implementation of the Annual Compliance Plan for the year 2025 on a quarterly basis. The Committee also updated itself on AML/CFT procedures as per SBP regulations and Financial Action Task Force (“FATF”), recommendations along with quarterly review of the Foreign Account Tax Compliance Act (“FATCA”), Annual Crime Control Management, Whistle Blowing Committee (“WBC”) cases, FBL’s ethical culture, MIS on Faysal Islami Noor Card complaints and internal investigation findings, timely actions taken by the management. BACGC also reviewed Annual Internal Risk Assessment Report (“IRAR”) for the year 2024 along with recommendation and management’s action plan. BACGC ensured

that a proper and effective system for compliance with the laws, regulations of the State Bank of Pakistan and other regulatory authorities, exists at FBL. The Committee also reviewed and approved the changes in the Compliance Strategy for the period 2026-28 and aligned it with the overall strategy of FBL.

- BACGC reviewed updates of Fraud and Forgery cases quarterly during the year, including fraud trends. Major findings of internal investigations in this area were deliberated upon and noted with satisfaction that appropriate measures were taken by the management in a timely manner. BACGC quarterly reviewed the updates in Bank's policies to ensure compliance with regulatory requirements.
- BACGC reviewed the implementation of effective Internal Controls over Financial Reporting ("ICFR") program across the Bank. An assurance was also given to BACGC that Policies adopted by the Bank were sufficient and appropriate, while information provided by the management is reliable. The Conduct Assessment Framework of the Bank as of December 31, 2024, was also reviewed. BACGC reviewed the quarterly Compliance of the SBP's inspection report and thematic review reports along with monitoring the compliance status of these reports.
- BACGC also reviewed the report by the Company Secretary on conflict of interest, status of major lawsuits and update on new laws and regulations.
- BACGC conducted self-assessment of its performance for the year to comply with its TORs as per SECP Code of Corporate Governance, SBP guidelines and presented it to the Board. The Board appreciated the performance of the BACGC in their evaluation for that year.



Mr. Ali Munir
Chairman - BACGC



Independent Auditor's Review Report

To the members of Faysal Bank Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Faysal Bank Limited ('the Bank') for the year ended 31 December 2025, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the

Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2025.

Date: 4 March 2026

Karachi

UDIN: xxx

KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Faysal Bank Limited

Year ended: December 31, 2025

The Bank has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eleven as per the following:

Gender	Number
Male	09
Female	02

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Ali Munir
	Ms. Fatima Asad Khan (Female Director)
	Ms. Sadia Khan (Female Director)
	Mr. Mohsin Tariq
Non-Executive Directors	Mian Muhammad Younis
	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
	Mr. Juma Hasan Ali Abul
	Mr. Imtiaz Ahmad Pervez
	Mr. Abdulelah Ebrahim Mohamed AlQasimi
	*Mr. Mohamed Ahmed Bucheerei
Executive Director	Mr. Yousaf Hussain, President & CEO

*During the year, Mr. Mohamed Ahmed Bucheerei was appointed by the Board as a non-executive director to fill a casual vacancy.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank;
4. The Bank has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Bank. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Bank;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Presently out of Eleven (11) Board of Directors, the following Ten (10) Directors are Certified and have Completed the Directors' Training Program:

1. Mian Muhammad Younis
2. Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery
3. Mr. Yousaf Hussain
4. Mr. Ali Munir
5. Mr. Juma Hasan Ali Abul
6. Mr. Abdulelah Ebrahim Mohamed AlQasimi
7. Ms. Fatima Asad Khan
8. Mr. Mohsin Tariq
9. Ms. Sadia Khan
10. Mr. Mohamed Ahmed Bucheerei

Mr. Imtiaz Ahmad Pervez has attended and completed the Directors' Training Program, however the concluding test is pending.

The Bank had also arranged the following trainings for the Board of Directors in the year 2025:

- Role of Artificial Intelligence (AI) in the Banking Sector by Mr. Usman-ur-Rehman Ahmed, AI & Cloud Innovation Leader, Advisor on Digital Transformation & Emerging Technologies-Systems Limited on August 28, 2025
 - Enterprise Artificial Intelligence (AI) Transformation in Banking by Mr. Usman-ur-Rehman Ahmed, AI & Cloud Innovation Leader, Advisor on Digital Transformation & Emerging Technologies-Systems Limited on October 21, 2025
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
 12. The Board has formed committees comprising of members given below:

a) Board Audit and Corporate Governance Committee

Mr. Ali Munir	Chairman / Independent Director
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Mr. Mohsin Tariq	Member / Independent Director

b) Board Risk Management Committee

Mr. Imtiaz Ahmad Pervez	Chairman / Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member / Non-Executive Director
Mr. Ali Munir	Member / Independent Director
Mr. Mohamed Ahmed Bucheerei	Member / Non-Executive Director
Mr. Yousaf Hussain	Member / President and CEO

c) Recruitment Nomination and Remuneration Committee

Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Chairman / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Mr. Mohsin Tariq	Member / Independent Director
Ms. Fatima Asad Khan	Member / Independent Director
Ms. Sadia Khan	Member / Independent Director

The Code requires that the chairman of the human resource and remuneration committee is to be an independent director. The composition of the Bank's Recruitment Nomination and Remuneration Committee (RNRC) is in line with the Corporate Governance Regulatory Framework issued by the State Bank of Pakistan which allows a non-executive director to be the Chairman in case the majority members of the committee are independent directors. Following the guidelines majority members of RNRC are independent directors, however, the Chairman of the RNRC is not an independent director.

d) Board Strategy Committee

Mian Muhammad Younis	Chairman / Non-Executive Director
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member / Non-Executive Director
Mr. Juma Hasan Ali Abul	Member / Non-Executive Director
Ms. Fatima Asad Khan	Member / Independent Director
Mr. Imtiaz Ahmad Pervez	Member / Non-Executive Director
Mr. Yousaf Hussain	Member / President and CEO

e) Board IT Committee

Ms. Sadia Khan	Chairperson / Independent Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member / Non-Executive Director
Mr. Mohamed Ahmed Bucheerei	Member / Non-Executive Director
Mr. Yousaf Hussain	Member / President and CEO

f) Board Sustainability & Development Committee

Mian Muhammad Younis	Chairman / Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member / Non-Executive Director
Ms. Fatima Asad Khan	Member / Independent Director
Ms. Sadia Khan	Member / Independent Director
Mr. Yousaf Hussain	Member / President and CEO

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Board Audit & Corporate Governance Committee	Quarterly meetings
b) Board Risk Management Committee	Quarterly meetings
c) Recruitment Nomination and Remuneration Committee	Quarterly meetings
d) Board Strategy Committee	Quarterly meetings
e) Board IT Committee	Quarterly meetings
f) Board Sustainability & Development Committee	Minimum of two meetings a calendar year

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank;

16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Bank;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No.	Non-mandatory Requirement	Reg. No.	Explanation
1.	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29.	The Bank has established a Nomination, Remuneration and Recruitment Committee (RNRC) of the Board which is in compliance of Regulation 28 and 29 of the Code as the function of a separate nomination committee has already been assigned to RNRC.

Karachi
Dated: February 19, 2026



Mian Muhammad Younis
Chairman

Report of Shariah Board

For the year ending December 31, 2025

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
الحمد لله رب العالمين، والصلاة والسلام على خاتم الأنبياء والمرسلين محمد المصطفى الصادق الأمين وعلى آله وصحبه أجمعين

Faysal Bank Limited ("the Bank") has completed Third year of successful operations of being a full-fledged Islamic Bank.

During the year, the Shariah Board held four meetings to consider, deliberate, decide and supervise various Shariah related affairs of the Bank including review of various existing and new products, transactions, processes, policies, standard operating procedures and agreements. In compliance with Shariah Governance Framework, the Shariah Board ("SB") also met with Board of Directors ("BoD") twice this year to have a detailed briefing on Shariah compliance environment.

Following are the key developments for the year 2025:

Product Development

Under the guidance of SB, Product Development (PD) has worked for the enrichment of its product menu. On the liability side, Shariah Board approved products i.e. 'Bakamaal Karobar Account Current & Saving Accounts' based on 'Qardh' and 'Mudarabah', 'Hamara Pakistan Remittance Account Current Remunerative & Saving Accounts' based on 'Mudarabah' and 'Khushal Kisaan Account' and 'Mahir Freelancer & IT exporter account' based on 'Qardh'.

On Financing side, Shariah Board approved products i.e. 'Musharakah – Sale & Lease Back' (SLB) for Agri-financing and 'Mera Ghar Mera Ashiyana' for consumer banking as per government initiatives based on Diminishing Musharakah product.

Shariah Structuring of Investment Banking Transactions

Shariah Board reviewed and approved 07 Investment Banking transactions whereby the Bank's Shariah Board served as the Shariah Advisor of 04 transactions. These transactions were structured on Shirkat-ul-Milk (Diminishing Musharakah - DM), Shirkat-ul-Milk (DM - Sale & Lease Back), Shirkat-ul-Aqd (Running Musharakah) and Bai – Muajjal & Ijarah Sale & Lease Back basis.

Shariah Compliance and Advisory (SCA)

To ensure the compliance of regulatory and SB's guidelines, under the guidance of SB, SCA reviewed Trade Finance and Business Services, Corporate and Investment Banking, Commercial & SME, Human Resources, Treasury, Consumer Financing (Auto, Mortgage, Takmeel) and Agri Financing. Further, SCA reviews Tawarruq based products including Noor Card and Islamic Personal Finance on quarterly basis. SCA reviewed more than 200 branches excluding branches reviewed by Shariah audit across different regions of the bank. Moreover, SCA also reviewed the Pool management & Profit distribution mechanism on monthly basis.

During this period, all Bank-wide policies and procedures (new and renewal) presented, were reviewed by SCA and approved by Shariah Board.

During the year, in addition to standard general approved products, SCA obtained SB approvals on more than 1100 customized process flows of various Islamic financing structures including Murabaha, Istisna, Tijarah, Running Musharakah, Diminishing Musharakah, Musharakah – SLB, Salam, etc. including that of SBP schemes like Islamic Export Re-Finance (IERF), Islamic long Term Financing Facility (ILTFF) and Islamic Finance for Renewable Energy (IFRE) etc.

Shariah Audits

Internal & external Shariah Audits were undertaken as per the requirement of Shariah Governance Framework. Internal Shariah Audit Unit carried out Shariah audits during the period for following functions i.e. SME and Commercial Banking, Corporate and Investment Banking Group, Special Assets Management, Tawarruq, Agri Products, Charity accumulation and disbursement and on quarterly basis Profit distribution and Pool Management calculations. Further, external Shariah audit was also carried out covering all relevant functions of the Bank.

Charity

In accordance with SBP guidelines and Shariah Non-Compliance Risk Management Framework following is the treatment the charity amount:

The cumulative opening balance of the charity fund was PKR 208.624 Mn and during the year an additional amount of PKR 341.604 Mn is added to the charity fund with following break-up:

Amount in Million		
a.	Delayed payment	PKR 223.599
b.	Shariah non-Compliant income	PKR 4.161
c.	Ring-fenced Charity	PKR 104.302 (Including dividend purification income)

During this period, an amount of PKR 314.409 Mn was distributed to various charitable organizations. Details are available on Note 20.2.2.

Treatment of Ring-fenced portfolio

After conversion some residual conventional portfolio was carried forward and as per the transformation plan this conventional portfolio was ring fenced to avoid any comingling with Islamic portfolio. This portfolio is monitored by the Shariah Board also in accordance with the regulatory requirement. Accordingly, Shariah Board has issued guidelines for the portfolio management and is updated about the status on regular basis.

Capacity building and Awareness Sessions

For the growth in capacity building and awareness of human resource of the bank, various Islamic banking training programs were conducted by Learning and Development (“L&D”).

Members of Shariah Board, PD, SCA facilitated in improvement of training material besides conducting various training and awareness sessions for Bank’s staff. During the year, L&D organized more than 330 training sessions across the country to enhance the Shariah knowledge of Islamic products and services, wherein more than 9300 employees were trained under various online and classroom training programs. Further, specialized training programs for Islamic Banking - Level II, Pool Management and Tawarruq Trainings were also organized.

Additionally, in order to strengthen the overall Shariah compliance environment of the Bank, Shariah support officers have been associated with business (CIBG, CBSME, Agri etc.) and support functions (CAD, Trade, etc.).

Promotion and Marketing of Islamic banking products & services

During this period, various marketing promotional materials including printed and electronic brochures, TVCs were reviewed and approved by the SB.

Opinion of Shariah Board

While the Board of Directors and Executive Management are solely responsible to ensure that the operations of Faysal Bank Limited are conducted in a manner that comply with Shariah principles at all times, we are required to submit a report on the overall Shariah compliance environment of Faysal Bank Limited.

To form our opinion as expressed in this report, the Shariah Board has reviewed the Shariah Compliance review reports, internal and external Shariah audit reports.

Based on above, we are of the view that:

1. The Bank by and large complied with the Shariah rules and principles in the light of resolutions / Fatawa, rulings and guidelines issued by the SB.
2. During review, matters requiring corrective measure have been noted and were resolved by the Management or ensured to be rectified in future. Subject to the foregoing, in our opinion, the affairs of the Bank have been carried out in accordance with the directives, regulations, instructions and guidelines related to Shariah compliance issued by the SBP.
3. The Bank has a comprehensive mechanism in place to ensure Shariah compliance in their overall operations.
4. Bank has a well-defined system in place in the form of Shariah Compliance Review and Internal Shariah Audit to ensure that the earnings realized from sources or means prohibited by Shariah are credited to charity account and properly utilized for charitable purposes.
5. The allocation of funds, profit and loss distribution and pool management is generally in accordance with Shariah Rules & Principles and Pool Management guidelines of SBP.
6. Learning and development unit of the Bank is actively pursuing the training and development of human capital on Islamic Banking & Finance through various training programs to enhance the awareness of staff, Management and BOD for the products and processes of the Bank and importance of Shariah compliance.
7. Shariah Board was provided unhindered access of all required information along with adequate resources, enabling it to discharge its duties effectively.
8. The bank should explore the digitization of Islamic processes of its products and services to enhance customer experiences, improve efficiency, and strengthen operational agility while ensuring Shariah compliance.

And Allah Subhanahu wa ta'ala knows the Best.



Mufti Abdul Basit
Resident Shariah Board Member



Mufti Muhammad Uzair Qasim
Shariah Board Member



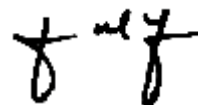
Mufti Muhammad Hassan Ashraf Usmani
Shariah Board Member



Mufti Muhammad Najeeb Khan
Shariah Board Member



Dr. Mufti Khalil Ahmad Aazami
Shariah Board Member



Mufti Muhammad Mohib ul Haq
Chairman Shariah Board

Dated: February 02, 2026 | Sha'aban 13, 1447 AH.

شریعہ بورڈ رپورٹ

برائے اختتام پذیر سال 31 دسمبر 2025

بسم اللہ الرحمن الرحیم

الحمد للہ رب العالمین والصلوة والسلام علی غاتم الانبیاء والمرسلین محمد المصطفیٰ الصادق الامین وعلیٰ آلہ واصحابہ اجمعین۔

الحمد للہ، فیصل بینک لمیٹڈ ("بینک") نے ایک مکمل اسلامی بینک ہونے کے طور پر کامیاب آپریشنز کا تیسرا سال مکمل کر لیا ہے۔

سال کے دوران شریعہ بورڈ نے شریعہ سے متعلق، بینک کے مختلف امور پر غور و فکر، فیصلے اور ان کی نگرانی کے لیے چار اجلاس منعقد کئے جن میں متعدد موجودہ اور نئی مصنوعات، معاملات، اعمال، پالیسیوں، آپریشنز کے معیاری طریقہ کار اور معاہدات کا جائزہ لیا گیا۔ شریعہ گورننس فریم ورک کے تقاضوں کے مطابق، اس سال شریعہ بورڈ (SB) نے بورڈ آف ڈائریکٹرز ("BoD") سے دو بار ملاقات کی۔ جس میں شریعہ کمپلائنس کے ماحول کے بارے میں تفصیل سے آگاہ کیا۔

سال 2025 کی اہم پیش رفت درج ذیل ہیں:

پروڈکٹ ڈیولپمنٹ (مصنوعات کا ارتقاء)

شریعہ بورڈ کی رہنمائی میں پروڈکٹ ڈیولپمنٹ، (PD) نے اپنے پروڈکٹس کی فہرست میں اضافہ کی طرف پیش رفت کی ہے جس میں لائسنس یافتہ سائڈ پر، شریعہ بورڈ نے قرض و مضاربہ پر مبنی باکمال کاروبار اکاؤنٹ (کرنٹ و سیونگ اکاؤنٹس) اور مضاربہ پر مبنی ہمارا پاکستان ریمیٹنس اکاؤنٹ (کرنٹ ریمیٹور پیو اور سیونگ اکاؤنٹس) اور قرض پر مبنی خوشحال کسان اکاؤنٹ اور ماہر فری لانس اور IT ایکسپورٹرز اکاؤنٹ کی منظوری دی۔

فنانسنگ سائیڈ پر شریعہ بورڈ نے زرعی فنانسنگ کے لیے مشارکہ — سیل اینڈ لیز بینک (SLB) اور بینکنگ صارفین کے لیے حکومتی اسکیم کے مطابق، شرکت متناقصہ کی بنیاد پر تیار کردہ پراڈکٹ، میرا گھر میرا آشیانہ کی منظوری دی۔

انویسٹمنٹ بینکنگ کے عقود (ٹرانزیکشنز) کا شریعہ اسٹرکچر

شریعہ بورڈ نے 07 انویسٹمنٹ بینکنگ عقود (ٹرانزیکشنز) کا جائزہ لیا اور ان کی منظوری دی، بینک کے شریعہ بورڈ نے ان میں سے 04 عقود میں شریعہ ایڈوائزری کی خدمات انجام دی۔ یہ عقود، شرکت الملک (شرکت متناقصہ)، شرکت الملک (شرکت متناقصہ - سیل اینڈ لیز بینک) شرکت العقد (رنگ مشارکہ) بیج موجد اور اجارہ سیل اینڈ لیز بینک کی بنیاد پر تشکیل دیئے گئے تھے۔

شریعہ کمپلائنس و ایڈوائزری (SCA)

ریگولیٹری اور شریعہ بورڈ کی ہدایت پر عمل دیا کو یقینی بنانے کے لیے، شریعہ بورڈ کی رہنمائی میں، SCA نے ٹریڈ فنانس اور کاروباری خدمات، کارپوریٹ اور انویسٹمنٹ بینکنگ، کمرشل اور SME بیومن ریسورسز، ٹریڈری ڈپارٹمنٹ، کزیومر فنانسنگ (آٹو، ہاؤس، تکمیل) اور ایگری فنانسنگ کا جائزہ لیا۔ مزید، SCA نے سہ ماہی بنیادوں پر نور کارڈ اور اسلاک پرسنل فنانس سمیت تین پر مبنی مصنوعات کا بھی جائزہ لیا ہے۔ ساتھ ہی ساتھ SCA نے مختلف علاقوں میں شریعہ آڈٹ کی جائزہ لی گئی بینک کی برانچوں کے علاوہ 200 سے زائد برانچوں کا جائزہ لیا۔ مزید یہ کہ SCA نے ماہانہ بنیادوں پر پول مینجمنٹ اور منافع کی تقسیم کے طریقہ کار کا بھی جائزہ لیا۔

اس دوران، SCA نے بینک کی تمام پالیسیوں اور طریقہ کار (جدید و تجدید شدہ) کا جائزہ لیا اور شریعہ بورڈ نے ان کی منظوری دی۔

دوران سال، عمومی طور پر منظور شدہ پراڈکٹس کے علاوہ، SCA نے شریعہ بورڈ سے 1100 سے زائد "صارفین کے لحاظ سے مخصوص پراسس فلووز" کی منظوری حاصل کی جو کہ مراحم، استقناع، تجارت، رنگ مشارکہ، شرکت متناقصہ، مشارکہ - SLB سلم وغیرہ پر مشتمل ہونے کے ساتھ SBP کی اسکیمز جیسے کہ اسلامک ایکسپورٹ ری - فنانس (IERF) اسلامک لانگ ٹرم فنانسنگ فیسیلیٹی (ILTFF) اور رینیو ایبل انرجی کے لیے اسلامی فنانس (IFRE) وغیرہ پر مشتمل ہیں۔

شریعیہ آڈٹ

شریعیہ گورننس فریم ورک کے تقاضوں کے مطابق اندرونی اور بیرونی شریعیہ آڈٹ کو انجام دیا گیا۔ انٹرنل شریعیہ آڈٹ یونٹ نے اس مدت کے دوران درج ذیل شعبوں کے لیے شریعیہ آڈٹ کو انجام دیا۔

SME اور کمرشل بینکنگ، کارپوریٹ اور انویسٹمنٹ بینکنگ گروپ، اسپیشل ایسٹس مینجمنٹ، تروق، زرعی مصنوعات، چیریٹی کی وصولی و تقسیم اور سماجی بنیادوں پر منافع کی تقسیم و پول مینجمنٹ کے حسابات کا بھی جائزہ لیا گیا۔ مزید برآں، بینک کے تمام متعلقہ امور پر مشتمل ایکسٹرنل شریعیہ آڈٹ کو بھی انجام دیا گیا۔

چیریٹی

SBP اور شریعیہ نان کمپلائنس رسک مینجمنٹ فریم ورک کی رہنماد ایات کے مطابق چیریٹی کی رقم کا درج ذیل انتظام کیا گیا:

چیریٹی فنڈ کی مجموعی ابتدائی رقم 208.624 ملین روپے تھی اور سال کے دوران 341.604 ملین روپے کی اضافی رقم چیریٹی فنڈ میں شامل کی گئی، جس کی تفصیل درج ذیل ہے۔

رقم کے اعداد و شمار (ملین میں)	صدقہ کی تفصیل
223.599 روپے	1 ادائیگی میں تاخیر کی وجہ سے
4.161 روپے	2 شرعی اصولوں سے عدم مطابقت کی وجہ سے
104.302 روپے (بشمول ڈیویڈنڈ پورٹفیکیشن آمدنی)	3 رنگ فینسڈ چیریٹی

اس عرصے کے دوران، 314.409 ملین کی رقم مختلف فلاحی اداروں میں تقسیم کی گئی۔ جس کی تفصیلات نوٹ 20.2.2 پر دستیاب ہیں۔

رنگ فینسڈ پورٹ فولیو کا انتظام

اسلامی بینکاری کی طرف منتقلی کے بعد باقی ماندہ کنونینشل پورٹ فولیو پر کام کو آگے لے جایا گیا تھا اور کنورژن کی منصوبہ بندی کے مطابق اس روایتی پورٹ فولیو کو اسلامی پورٹ فولیو کے

ساتھ خلط ہو جانے سے بچانے کے لیے (رنگ فینس) کر کے الگ کر دیا گیا تھا۔ شریعہ بورڈ اس پورٹ فولیو کی نگرانی بھی ریگولیٹری تقاضوں کے مطابق انجام دیتا ہے۔ اسی مناسبت سے شریعہ بورڈ اس پورٹ فولیو کے انتظام کے لئے اپنی ہدایات دے چکا ہے اور اس کی صورت حال کے بارے میں اسے مستقل بنیادوں پر مطلع کیا جاتا ہے۔

استعداد کار میں اضافہ اور آگاہی کے سیشنز

بینک کے انسانی وسائل کی استعداد اور آگاہی میں اضافے کے لیے، لرننگ اینڈ ڈیولپمنٹ ("L&D") نے متعدد اسلامی بینکاری تربیتی پروگرامز منعقد کیے۔ شریعہ بورڈ، PD SCA کے اراکین، بینک کے عملے کے لئے متعدد تربیتی اور آگاہی سیشنز کے انعقاد میں سرگرم عمل رہے اور ساتھ ساتھ تربیتی مواد کو بہتر بنانے میں بھی معاونت فراہم کی۔ دوران سال L&D نے عملے کی اسلامی مصنوعات و خدمات سے متعلق شرعی آگاہی میں اضافے کے لئے ملک بھر میں 338 سے زائد تربیتی سیشنز کا انعقاد کیا جس میں 9300 سے زائد ملازمین کو متعدد آن لائن اور کلاس روم تربیتی پروگرامز کے ذریعہ تربیت دی گئی۔ مزید یہ کہ اسلامک بینکنگ لیول II پول نیجمنٹ اور تورق کی ٹریننگز کے لئے خصوصی تربیتی پروگرام کو منظم کیا گیا۔ مزید برآں، بینک کے شریعت سے ہم آہنگ مجموعی ماحول کے استحکام کی غرض سے شریعہ سپورٹ افسران کو کاروباری شعبہ جات (CIBG CBSME Agri وغیرہ) اور تائیدی (support) فنکشنز (Trade, CAD وغیرہ) میں تعینات کیا گیا ہے۔

اسلامی بینکنگ پروڈکٹس و خدمات کا فروغ اور تشہیر

اس دورانیہ میں، مختلف مارکیٹنگ پروموشنل مواد بشمول پرنٹ شدہ اور الیکٹرانک بروشرز، TVCs کا جائزہ لیا گیا اور شریعہ بورڈ کی طرف سے منظوری دی گئی۔

شریعیہ بورڈ کے رائے

چونکہ بورڈ آف ڈائریکٹرز اور ایگزیکٹو مینجمنٹ اس امر کو اپنے طور پر یقینی بنانے کے ذمہ دار ہیں کہ فیصل بینک لمیٹڈ کے امور کی انجام دہی ہمہ وقت شریعت کے اصولوں سے ہم آہنگ ہو، اس لئے ہم سے فیصل بینک لمیٹڈ کے مجموعی ماحول کے شریعت سے ہم آہنگ ہونے پر ایک رپورٹ پیش کرنے کا تقاضہ کیا جاتا ہے۔ ہماری رائے قائم کرنے کے لئے، جس کی اس رپورٹ سے وضاحت کی گئی ہے، شریعہ بورڈ نے شریعہ کمپلائنس ریویو رپورٹس، انٹرئل اور ایکسٹرنل شریعہ آڈٹ رپورٹس کا تجزیہ کیا۔

مندرجہ بالا بنیاد پر ہمارا نقطہ نظریہ یہ ہے کہ:

1. بینک کے جملہ امور کو شریعہ بورڈ کی طرف سے جاری کردہ قراردادوں، فتاویٰ جات، ہدایات و احکامات کی روشنی میں شریعت کے اصول و ضوابط کے مطابق انجام دیا گیا ہے۔
2. جائزہ کے دوران کسی بھی قابل تصحیح مسئلہ کو نوٹ کیا گیا اور بذریعہ مینجمنٹ اس کو حل کیا گیا مستقبل میں اس کی تصحیح کو یقینی بنایا گیا ہے۔ ماقبل سے مربوط ہماری رائے میں بینک کے امور کو شریعہ کمپلائنس سے متعلق اسٹیٹ بینک پاکستان کی طرف سے جاری کردہ قراردادوں، اصولوں، احکامات و ہدایات کے مطابق انجام دیا گیا ہے۔
3. بینک، تمام ترامور میں شریعہ کمپلائنس کو یقینی بنانے کے جامع نظام کا حامل ہے۔
4. بینک، شریعہ کمپلائنس تجزیہ اور انٹرئل شریعہ آڈٹ کی صورت میں اس بات کو یقینی بنانے کا ایک مربوط جامع نظام رکھتا ہے کہ غیر شرعی ذرائع اور طریقوں سے حاصل شدہ آمدنی کو چربٹی اکاؤنٹ میں منتقل اور صحیح طور سے خیراتی مقاصد میں خرچ کیا گیا ہے۔

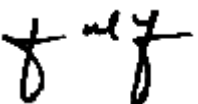
5. فنڈز کی تعیین، نفع و نقصان کی تقسیم اور پول میجمنٹ، بالعموم شریعت کے اصول و ضوابط اور SBP کی پول میجمنٹ سے متعلق ہدایات کے مطابق ہوئی ہے۔
6. بینک کا 'لرننگ اینڈ یوٹیلٹی یونٹ' متعدد تربیتی پروگرامز کے ذریعہ اسلامی بینکاری و مالیات پر انسانی وسائل کی تربیت اور ترقی کے لئے سرگرم عمل ہے تاکہ بینک کی پروڈکٹس و طریقہ کار اور شریعہ کمپلائنس کی اہمیت پر عمل، میجمنٹ اور BoD کی آگاہی میں اضافہ کیا جاسکے۔
7. شریعہ بورڈ کو اپنی ذمہ داریوں سے بخوبی عہدہ برآں ہونے کے قابل بنانے کے لئے تمام مطلوبہ معلومات تک بلا رکاوٹ رسائی اور مناسب وسائل مہیا کئے گئے ہیں۔
8. بینک کو کسٹمر ایکسپیرینس میں بہتری، کارکردگی میں اضافہ، اور آپریشنز میں سرعت لانے کیلئے، شریعہ کمپلائنس کی پاسداری کے ساتھ، اپنی پروڈکٹس اور خدمات کے اسلامی طریقہ کار کو ڈیجیٹل کرنے کے امکانات کا بھی جائزہ لینا چاہیے۔

واللہ اعلم بالصواب


 مفتی محمد حسان اشرف عثمانی
 شریعہ بورڈ ممبر


 مفتی محمد عزیز قاسم
 شریعہ بورڈ ممبر


 مفتی عبدالباسط
 ریزیدنٹ شریعہ بورڈ ممبر


 مفتی محمد محب الحق
 چیئرمین شریعہ بورڈ


 ڈاکٹر مفتی خلیل احمد اعظمی
 شریعہ بورڈ ممبر


 مفتی محمد نجیب خان
 شریعہ بورڈ ممبر

02 فروری 2026 | 13 شعبان المعظم 1447

Statement On Internal Controls

The system of internal control is based on an ongoing process designated to identify the principal risks to the achievement of the Bank's policies, aims and objectives, to evaluate the nature and extent of those risk and manage them efficiently, effectively and economically. The Management of Faysal Bank Limited is responsible for establishing and maintaining an adequate and effective internal control system in the Bank. In this context, the Management has designed the Bank's Internal Control Program to provide reasonable assurance on the reliability of financial reporting, the effectiveness of operations, and compliance with applicable laws and regulations. Although the Internal Control Program is effectively implemented and monitored, there are inherent limitations in the effectiveness of any system, including the possibility of human error, system failure, circumvention, and overriding of controls. Even an effective internal control system can provide reasonable but not absolute assurance that the system's objectives will be achieved.

Policies and procedures covering diverse business and operational domains are meticulously crafted, continuously updated, and effectively communicated across all relevant levels of the organization. These policies receive formal approval from the Bank's Board of Directors (BoD), while the procedures are sanctioned by the Bank's Senior Management. The Bank's Internal Audit Function plays a pivotal role in ensuring adherence to these policies and procedures, conducting rigorous compliance monitoring. Regular updates and compliance reports are provided to the Management and the BoD through the Board's Audit and Corporate Governance Committee, ensuring ongoing oversight and governance.

The Bank's Management has established a dedicated Internal Control Department (ICD) under the Compliance Function, tasked with executing both on-site and off-site evaluations of processes associated with Support Functions and network of branches. The ICD is integral to the ongoing monitoring and identification of operational deficiencies, ensuring that immediate corrective measures are implemented. . Additionally, Management proactively addresses any discrepancies identified by regulatory bodies, the ICD itself, as well as internal and external auditors. These remedial actions involve targeted enhancements to the

internal control framework to prevent the recurrence of identified issues and are rigorously overseen by the Compliance Committee.

The Bank has completed all stages of the ICFR roadmap, issued vide SBP's BSD Circular No. 05 dated February 24, 2009. The Bank has adopted the "COSO Internal Control Integrated Framework", in relation to its Internal Control Program to ensure consistency in the process of compliance with SBP's Internal Control Guidelines involving documentation, risk assessment, gap analysis, controls testing, controls implementation, and quality assurance/validation. Further, in the year 2017, SBP granted an exemption for submission of Long Form Report (LFR) through external auditors. Moreover, as per SBP's BSD Circular No. 01 dated July 06, 2021, banks were allowed to discontinue the annual submission of LFR or Annual Assessment Report (AAR) on the efficacy of ICFR to SBP. However, banks shall continue the preparation of AAR on the efficacy of ICFR under ICFR instructions/framework, and the Internal Audit Function will review and submit it to the Audit Committee for BoD approval, for the year ended December 31, 2025.

Additionally, the Bank has undertaken various initiatives to further strengthen internal controls, including but not limited to the implementation of continuous training and development programs for staff, and regular internal control reviews.

The Management is confident that through the adoption of these measures, the Bank's internal control environment is maintained at a satisfactory level.

The BoD endorses the above-stated management evaluation of internal controls and the ICFR program.



Yousaf Hussain
President & CEO

Authorisation of Financial Statements by the Board of Directors

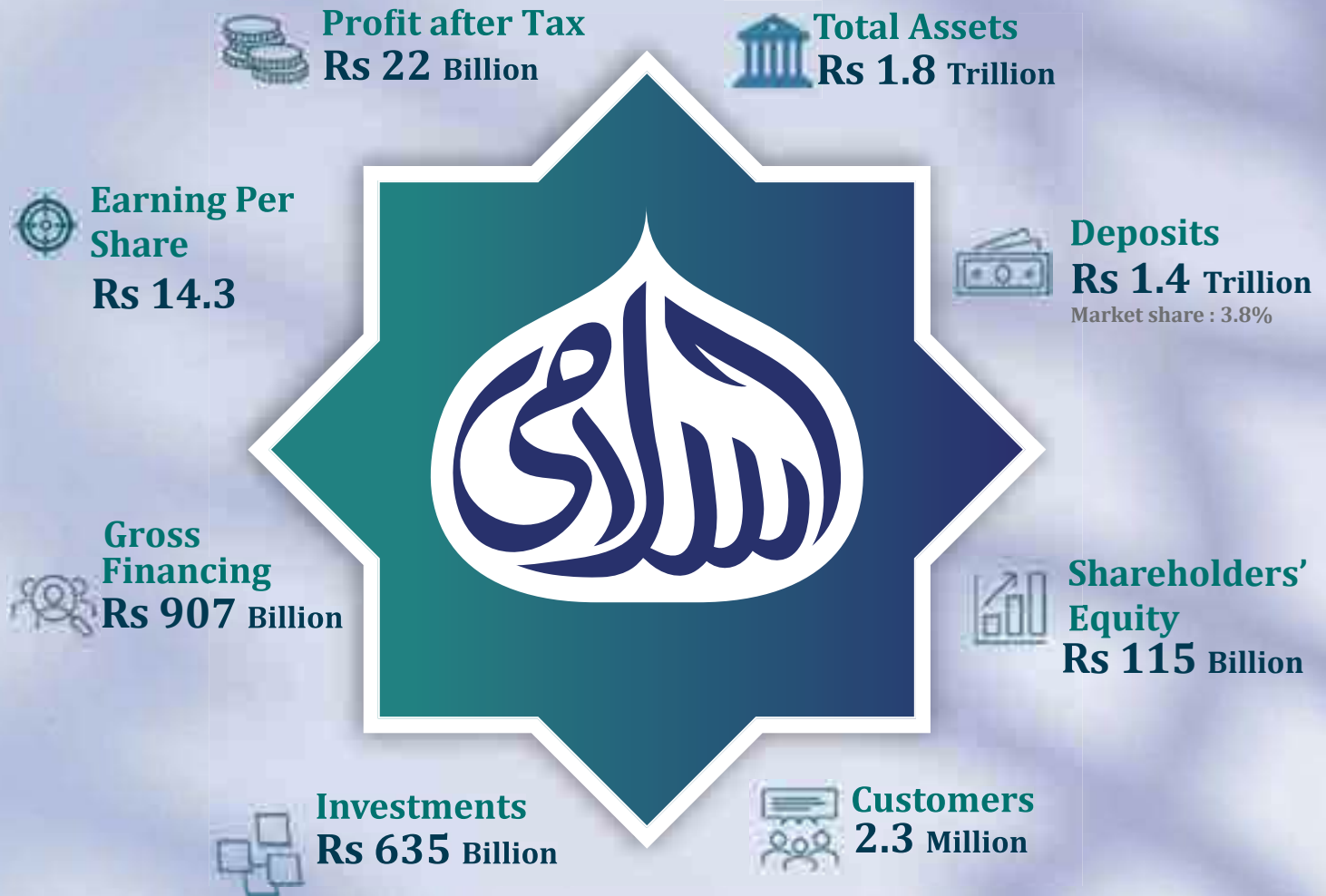
The financial statements for the year ended December 31, 2025 were authorised for issuance by the Board of Directors of the Bank on February 19, 2026

Analysis of the Financial Information

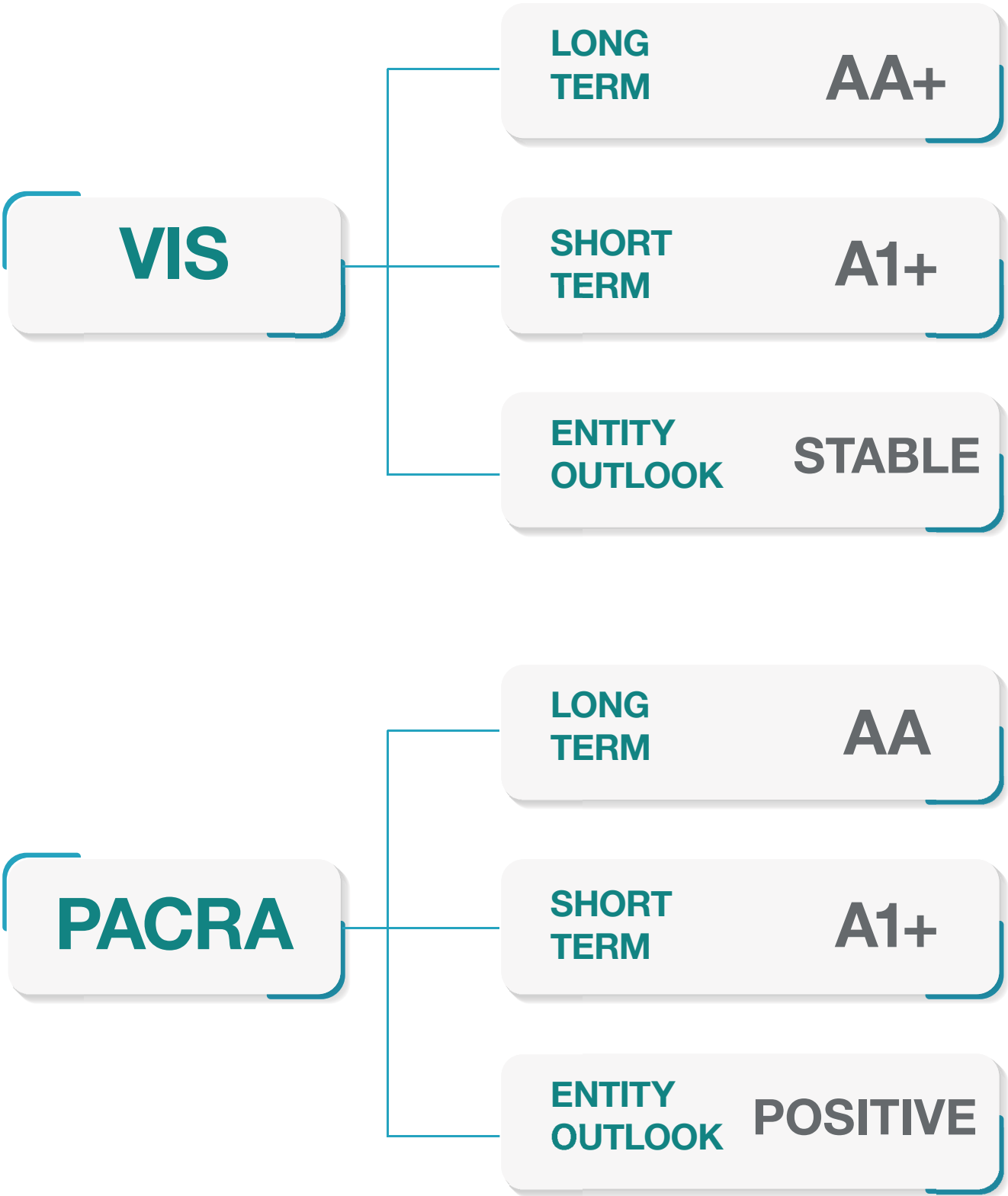
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Major Highlights



CREDIT RATING

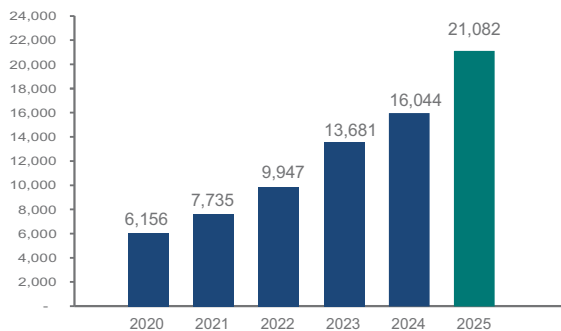


Six Years' Financial Summary

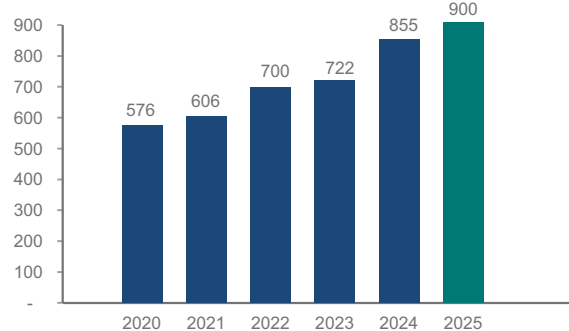
	2025	2024	2023	2022	2021	2020
Operational Results Rs in Million						
Profit / return earned	165,934	225,052	189,448	104,521	53,869	55,922
Profit / return expensed	96,308	144,669	118,395	64,533	28,035	31,388
Fee, commission, brokerage, Forex and other income	21,082	16,044	13,681	9,947	7,735	6,156
Dividend and capital gain / (loss) - net	8,696	1,483	(1,579)	(987)	774	2,075
Total income	99,073	97,745	83,155	48,947	34,343	32,765
Credit loss allowance and write offs - net	(4,879)	(2,464)	914	(940)	48	2,254
Operating and other expenses	56,904	49,802	40,820	27,494	20,887	19,740
Operating profit before tax and credit loss allowance	42,168	47,943	42,335	21,453	13,456	13,025
Profit before taxation	47,047	50,408	41,422	22,393	13,409	10,770
Profit after taxation	21,703	23,028	20,046	11,233	8,153	6,511
Cash dividend (Rs)	6.50	7.00	4.00	7.00	2.00	-
Statement of financial position Rs in Million						
Shareholders' equity	98,285	85,589	75,047	59,435	58,762	51,080
Surplus on revaluation of assets - net	17,164	22,772	15,151	10,649	7,062	9,027
Deposits	1,427,356	1,044,279	1,018,276	781,571	644,089	540,636
Due to financial institutions	121,637	280,443	166,887	150,134	111,190	58,447
Islamic financing and related assets	871,999	633,910	580,711	454,261	396,295	318,180
Investments	634,940	677,372	589,545	469,451	357,471	276,930
Total assets	1,774,730	1,562,668	1,370,074	1,074,353	869,612	709,958
Other key information						
Trade volumes						
- Imports - local (Rs in million)	29,506	21,210	62,615	72,106	72,686	24,310
- Imports - foreign (USD in million)	3,811	2,604	1,330	1,461	1,718	1,343
- Exports - local (Rs in million)	38,495	20,130	22,674	59,348	35,893	35,538
- Exports - foreign (USD in million)	635	567	510	402	423	370
Number of employees	10,117	9,824	8,787	8,011	7,120	6,803
Number of branches	900	855	722	700	606	576

Fee & Other Income

Rs in Million

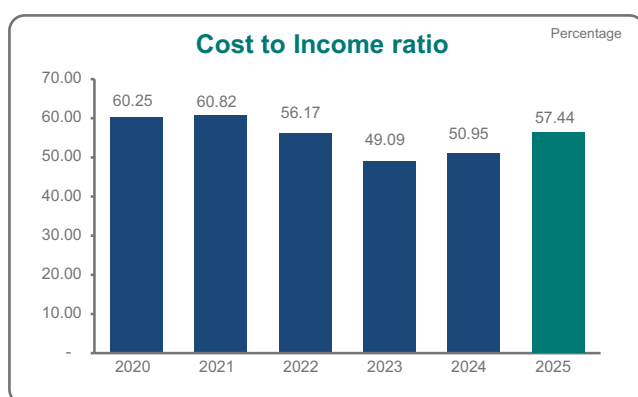
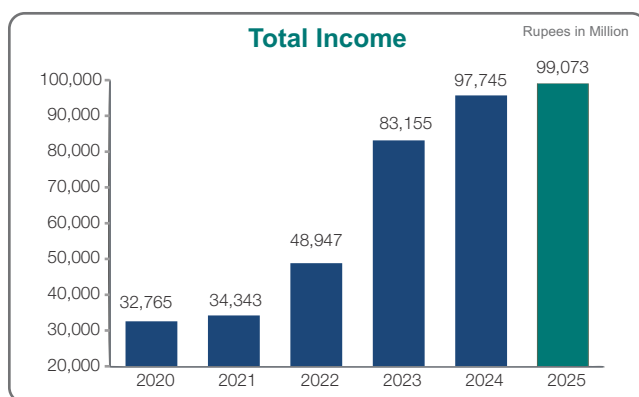
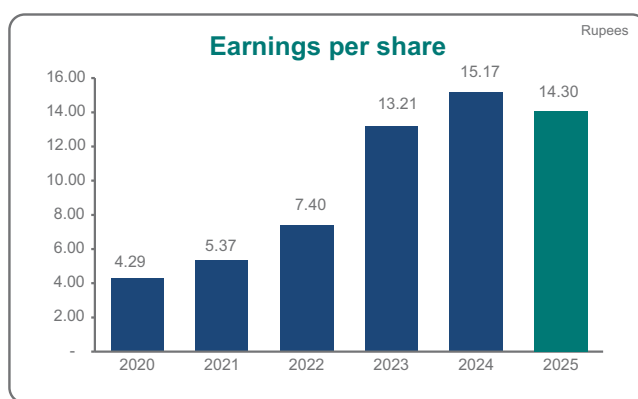
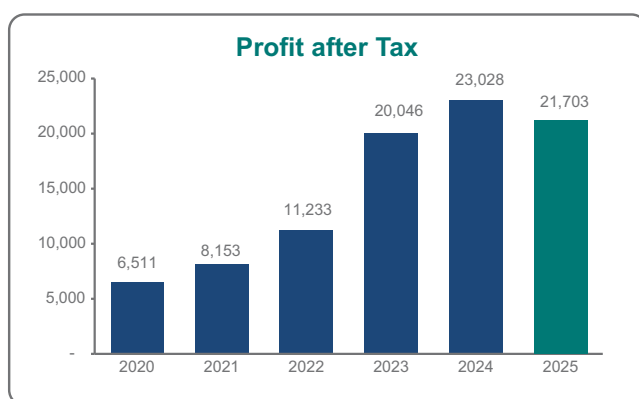


Branch Network



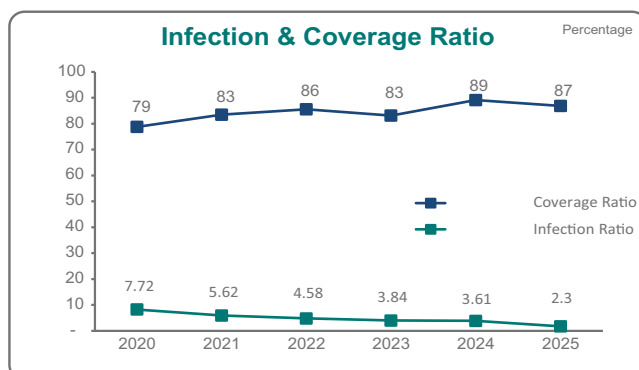
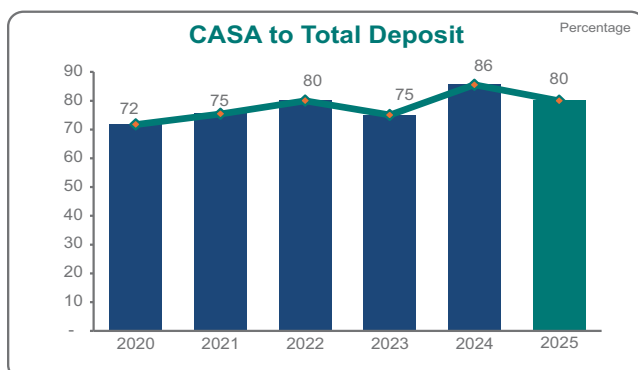
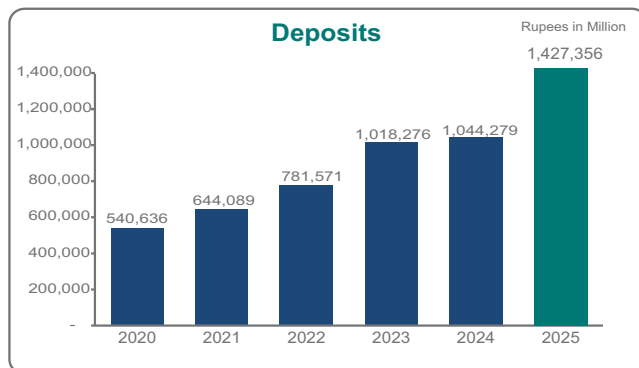
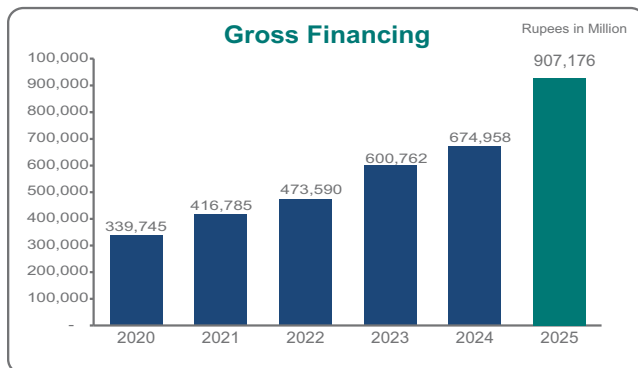
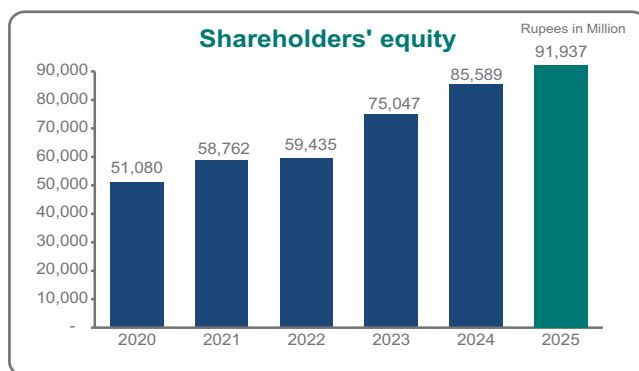
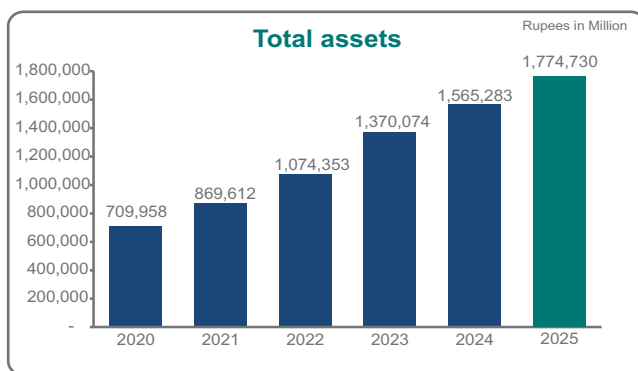
Six Years' Financial Summary

	2025	2024	2023	2022	2021	2020
Profitability ratios						
Profit before tax ratio (%)	28.35	22.40	21.86	21.42	24.89	19.26
Gross yield on earning assets (%)	11.01	17.16	16.19	11.20	7.15	9.35
Gross spread ratio (%)	76.07	71.40	37.51	38.26	47.96	43.87
Cost to income ratio (%)	57.44	50.95	49.09	56.17	60.82	60.25
Return on equity (ROE) (%)	23.61	28.67	29.81	19.01	14.84	13.62
Return on capital employed (ROCE) (%)	26.76	28.20	26.61	16.40	11.47	10.84
Shareholders' equity (Rs in million)	98,285	85,589	75,047	59,435	58,762	51,080
Return on share holder's fund (ROSF) (%)	47.87	58.89	55.19	37.68	22.82	21.09
Return on assets (ROA) (%)	1.30	1.57	1.64	1.16	1.03	0.97
Net profit / return to total revenue (%)	70.28	82.24	85.45	81.70	75.22	74.88
Net profit / return to total revenue	1.74	1.96	2.04	1.78	1.64	1.66



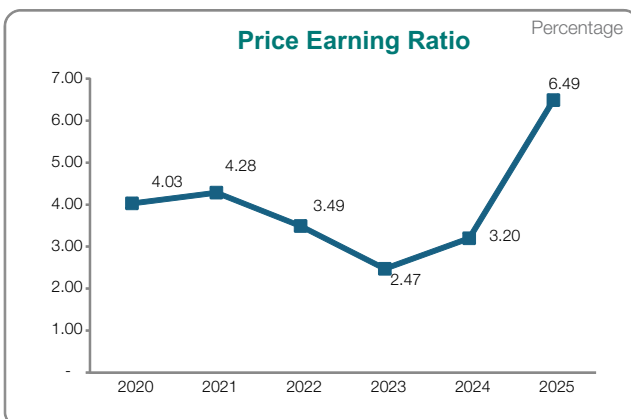
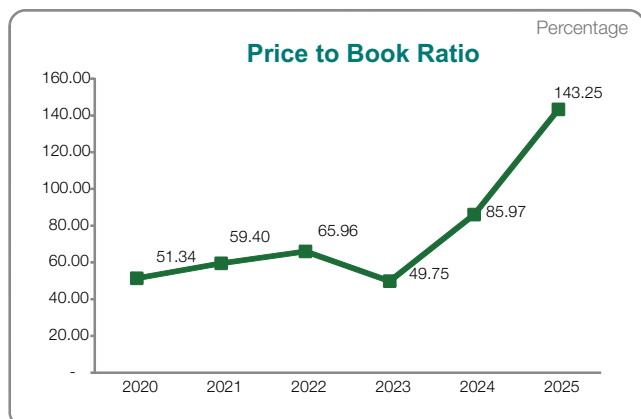
Financial Ratios

	2025	2024	2023	2022	2021	2020
Asset quality & Liquidity ratios						
Gross financing to deposits ratio (%)	63.56	64.63	59.00	60.59	64.71	62.84
Net financing to deposits ratio (%)	61.09	60.70	57.03	58.12	61.53	58.85
Current / Quick ratio (Times)	0.59	0.51	0.51	0.44	0.53	0.68
Cash to current liabilities (%)	6.50	7.41	6.92	5.99	7.77	9.81
Cashflow Coverage Ratio (%)	-2.02	49.50	90.87	94.15	72.93	173.73
CASA to total deposits (%)	81.86	85.52	75.02	80.02	75.42	71.75
Gross Non-Performing assets to gross financing (%)	2.25	3.61	3.84	4.58	5.62	7.72
Non-performing financing to total financing (%)	2.34	3.84	3.97	4.78	5.91	8.24
Coverage ratio (specific provision to non-performing loans) (%)	86.56	89.12	83.14	85.52	83.50	78.74
Liquidity coverage ratio (Times)	1.39	1.59	1.53	1.79	2.14	2.11
Net stable funding ratio (%)	159.69	166.06	173.79	169.67	171.75	169.28



Financial Ratios

	2025	2024	2023	2022	2021	2020
Essential Financial Indicators						
Price earning ratio (%)	6.49	3.20	2.47	3.49	4.28	4.03
Earnings per share (EPS) (Rs)	14.30	15.17	13.21	7.40	5.37	4.29
Price to book ratio (%)	143.25	85.97	49.75	65.96	59.40	51.34
Dividend yield ratio (%)	7.01	14.44	16.26	27.10	6.52	-
Dividend payout ratio (%)	45.45	46.13	30.28	94.58	27.92	-
Cash Dividend Per share (Rs)	6.50	7.00	4.00	7.00	1.50	-
Market value per share at year end (Rs)	92.77	48.48	24.60	25.83	23.00	17.28
Book value per share (excl. surplus on revaluation of assets) (Rs)	64.76	56.39	49.45	39.16	38.72	33.66
Book value per share (Inc. surplus on revaluation of assets) (Rs)	76.07	71.40	59.43	46.18	43.37	39.60
Capital structure ratios						
Capital adequacy ratio (%)	14.04	16.54	17.46	15.47	17.53	18.67
Tier 1 capital adequacy ratio (%)	11.96	13.19	14.59	12.89	15.68	15.95
Leverage ratio (%)	4.66	4.70	4.57	4.50	5.46	5.96
Earning assets to total assets ratio (%)	84.91	83.91	85.42	86.89	86.68	84.24
Net assets per share (Rs)	76.07	71.40	59.43	46.18	43.37	39.60
Debt to Equity Ratio (%)	1.05	2.59	1.85	2.14	1.69	0.97
Total assets turnover ratio (%)	5.94	6.67	6.07	4.56	3.95	4.62
Total assets to fixed assets turnover ratio	36.33	42.08	46.36	43.45	49.37	44.62
Net assets maturity wise (based on expected withdrawal pattern)						
	Rs in Million					
Upto one month	167,498	120,342	(6,166)	(53,065)	19,003	(19,244)
Over one month to three months	50,139	104,331	(7,814)	(64,735)	(19,384)	90,164
Over three months to six months	58,973	395,968	452,716	352,874	21,191	12,636
Over six months to one year	103,291	(32,794)	(34,862)	32,085	14,893	19,777
Over one year to two years	30,814	(35,282)	(36,758)	(31,916)	52,336	3,236
Over two years to three years	(168,372)	(209,073)	(109,995)	(121,630)	866	12,090
Over three years to five years	44,573	(68,014)	(28,685)	(4,762)	132,775	20,982
Over five years to ten years	(199,697)	(191,156)	(163,337)	(64,556)	(69,800)	(19,673)
Over ten years	28,231	24,039	25,099	25,788	(86,057)	(59,861)
Total net assets	115,450	108,361	90,198	70,083	65,823	60,107



Based on Book Value per Share (excl. surplus on revaluation of assets)

Horizontal Analysis

Statement of Financial Position

	Rs in Million											
	2025	2025 vs 2024	2024	2024 vs 2023	2023	2023 vs 2022	2022	2022 vs 2021	2021	2021 vs 2020	2020	2020 vs 2019
ASSETS												
Cash and balances with treasury banks	103,858	1%	102,538	22%	84,037	50%	56,131	-4%	58,517	-2%	59,881	-1%
Balances with other banks	6,733	22%	5,539	206%	1,812	-35%	2,785	-21%	3,517	22%	2,879	2%
Due from financial institutions	-	-	-	-	-	-100%	9,815	-	-	-100%	2,985	100%
Investments	634,940	-6%	677,372	15%	589,545	26%	469,451	31%	357,471	29%	276,930	36%
Islamic financing and related assets	871,999	38%	633,910	9%	580,711	28%	454,261	15%	396,295	25%	318,180	3%
Property and equipment	52,997	19%	44,711	51%	29,555	20%	24,725	40%	17,614	11%	15,912	1%
Right-of-use assets	15,351	16%	13,290	24%	10,713	4%	10,309	18%	8,724	7%	8,127	-3%
Intangible assets	2,312	-11%	2,600	11%	2,332	17%	1,985	14%	1,743	13%	1,541	4%
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	86,540	5%	82,708	16%	71,369	59%	44,891	74%	25,731	9%	23,524	-14%
	1,774,730	14%	1,562,668	14%	1,370,074	28%	1,074,353	24%	869,612	22%	709,959	13%
LIABILITIES												
Bills payable	33,288	-15%	39,170	137%	16,550	-22%	21,310	51%	14,123	4%	13,543	62%
Due to financial institutions	121,637	-57%	280,443	68%	166,887	11%	150,134	35%	111,190	90%	58,447	-20%
Deposits and other accounts	1,427,356	37%	1,044,279	3%	1,018,276	30%	781,571	21%	644,089	19%	540,636	18%
Lease liabilities	18,481	19%	15,547	21%	12,868	9%	11,828	22%	9,728	14%	8,531	3%
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	5,199	-60%	12,984	165%	4,907	607%	694	17%	592	-63%	1,592	-42%
Other liabilities	53,319	-14%	61,884	2%	60,388	56%	38,733	61%	24,066	-11%	27,103	10%
	1,659,280	14%	1,454,307	14%	1,279,876	27%	1,004,270	25%	803,788	24%	649,852	13%
	115,450	7%	108,361	20%	90,198	29%	70,083	6%	65,824	10%	60,107	9%
REPRESENTED BY												
Share capital	15,177	0%	15,177	0%	15,177	0%	15,177	0%	15,177	0%	15,177	0%
Reserves	20,003	12%	17,866	14%	15,616	34%	11,675	-7%	12,613	14%	11,033	12%
Surplus on revaluation of assets	17,164	-25%	22,772	50%	15,151	42%	10,649	51%	7,062	-22%	9,027	-16%
Unappropriated profit	63,106	20%	52,546	19%	44,254	36%	32,582	5%	30,972	25%	24,870	27%
	115,450	7%	108,361	20%	90,198	29%	70,083	6%	65,824	10%	60,107	9%

Horizontal Analysis

Profit and Loss Account

Rs in Million

	2025	2025 vs 2024	2024	2024 vs 2023	2023	2023 vs 2022	2022	2022 vs 2021	2021	2021 vs 2020	2020	2020 vs 2019
Profit / return earned	165,934	-26%	225,052	19%	189,448	81%	104,521	94%	53,869	-4%	55,922	-4%
Profit / return expensed	96,308	-33%	144,669	22%	118,395	83%	64,533	130%	28,035	-11%	31,388	-16%
Net Profit / return	69,626	-13%	80,383	13%	71,053	78%	39,988	55%	25,834	5%	24,534	16%
Other Income												
Fee and commission income	12,852	23%	10,474	23%	8,518	29%	6,628	30%	5,094	32%	3,861	-6%
Dividend income	525	27%	413	24%	334	-42%	572	23%	464	23%	378	-11%
Foreign exchange income	7,820	47%	5,331	12%	4,758	67%	2,848	20%	2,379	14%	2,093	-26%
Income / (loss) from derivatives	1	-101%	(146)	-270%	86	-55%	192	-868%	(25)	-152%	48	-73%
Gain / (loss) on securities	8,171	664%	1,070	-156%	(1,913)	23%	(1,560)	-603%	310	-82%	1,697	-393%
Net gains / (loss) on derecognition of financial assets measured at amortised cost	(331)	0%	(165)	0%	-	0%	-	0%	-	0%	-	0%
Other income	408	6%	385	20%	320	15%	279	-3%	287	86%	154	-45%
Total other income	29,446	70%	17,362	43%	12,103	35%	8,959	5%	8,509	3%	8,231	14%
Total income	99,072	1%	97,745	18%	83,156	70%	48,947	43%	34,343	5%	32,765	15%
Other Expenses												
Operating expenses	55,863	15%	48,676	22%	39,814	47%	26,996	31%	20,605	6%	19,401	14%
Workers welfare fund	960	-7%	1,029	16%	887	92%	461	68%	274	22%	225	-3%
Other charges	81	-16%	97	-18%	119	222%	37	429%	7	-94%	114	245%
Total other expenses	56,904	14%	49,802	22%	40,820	48%	27,494	32%	20,886	6%	19,740	14%
Profit before credit loss allowance	42,168	-12%	47,943	13%	42,336	97%	21,453	59%	13,457	3%	13,025	18%
Credit loss allowance and write offs - net	(4,879)	98%	(2,464)	-370%	914	-197%	(940)	-2058%	48	-98%	2,254	167%
PROFIT BEFORE TAXATION	47,047	-7%	50,407	22%	41,422	85%	22,393	67%	13,409	24%	10,771	6%
Taxation	25,344	-7%	27,379	28%	21,376	92%	11,160	112%	5,256	23%	4,260	3%
PROFIT AFTER TAXATION	21,703	-6%	23,028	15%	20,046	78%	11,233	38%	8,153	25%	6,511	8%
Basic / diluted earnings per share	14.30	-6%	15.17	15%	13.21	78%	7.40	38%	5.37	25%	4.29	8%

Vertical Analysis

Statement of Financial Position

Rs in Million

	2025		2024		2023		2022		2021		2020	
ASSETS												
Cash and balances with treasury banks	103,858	5.9%	102,538	6.6%	84,037	6.1%	56,131	5.2%	58,517	6.7%	59,881	8.4%
Balances with other banks	6,733	0.4%	5,539	0.4%	1,812	0.1%	2,785	0.3%	3,517	0.4%	2,879	0.4%
Due from financial institutions	-	-	-	-	-	-	9,815	0.9%	-	-	2,985	0.4%
Investments	634,940	35.8%	677,372	43.3%	589,545	43.0%	469,451	43.7%	357,471	41.1%	276,930	39.0%
Islamic financing and related assets	871,999	49.1%	633,910	40.6%	580,711	42.4%	454,261	42.3%	396,295	45.6%	318,180	44.8%
Property and equipment	52,997	3.0%	44,711	2.9%	29,555	2.2%	24,725	2.3%	17,614	2.0%	15,912	2.2%
Right-of-use assets	15,351	0.9%	13,290	0.9%	10,713	0.8%	10,309	1.0%	8,724	1.0%	8,127	1.1%
Intangible assets	2,312	0.1%	2,600	0.2%	2,332	0.2%	1,985	0.2%	1,743	0.2%	1,541	0.2%
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	86,540	4.9%	82,708	5.3%	71,368	5.2%	44,891	4.2%	25,731	3.0%	23,524	3.3%
	1,774,730	100.0%	1,562,668	100.0%	1,370,074	100.0%	1,074,353	100.0%	869,612	100.0%	709,959	100.0%
LIABILITIES												
Bills payable	33,288	1.9%	39,170	2.5%	16,550	1.2%	21,310	2.0%	14,123	1.6%	13,543	1.9%
Due to financial institutions	121,637	6.9%	280,443	17.9%	166,887	12.2%	150,134	14.0%	111,190	12.8%	58,447	8.2%
Deposits and other accounts	1,427,356	80.4%	1,044,279	66.8%	1,018,276	74.3%	781,571	72.7%	644,089	74.1%	540,636	76.2%
Lease liabilities	18,481	1.0%	15,547	1.0%	12,868	0.9%	11,828	1.1%	9,728	1.1%	8,531	1.2%
Sub-ordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	5,199	0.3%	12,984	0.8%	4,907	0.4%	694	0.1%	592	0.1%	1,592	0.2%
Other liabilities	53,319	3.0%	61,884	4.0%	60,388	4.4%	38,733	3.6%	24,066	2.8%	27,103	3.8%
	1,659,280	93.5%	1,454,307	93.1%	1,279,876	93.4%	1,004,270	93.5%	803,788	92.4%	649,852	91.5%
	115,450	6.5%	108,361	6.9%	90,198	6.6%	70,083	6.5%	65,824	7.6%	60,107	8.5%
REPRESENTED BY												
Share capital	15,177	0.9%	15,177	1.0%	15,177	1.1%	15,177	1.4%	15,177	1.7%	15,177	2.1%
Reserves	20,003	1.1%	17,866	1.1%	15,616	1.1%	11,675	1.1%	12,613	1.5%	11,033	1.6%
Surplus on revaluation of assets	17,164	1.0%	22,772	1.5%	15,151	1.1%	10,649	1.0%	7,062	0.8%	9,027	1.3%
Unappropriated profit	63,106	3.6%	52,546	3.4%	44,254	3.2%	32,582	3.0%	30,972	3.6%	24,870	3.5%
	115,450	6.5%	108,361	6.9%	90,198	6.6%	70,083	6.5%	65,824	7.6%	60,107	8.5%

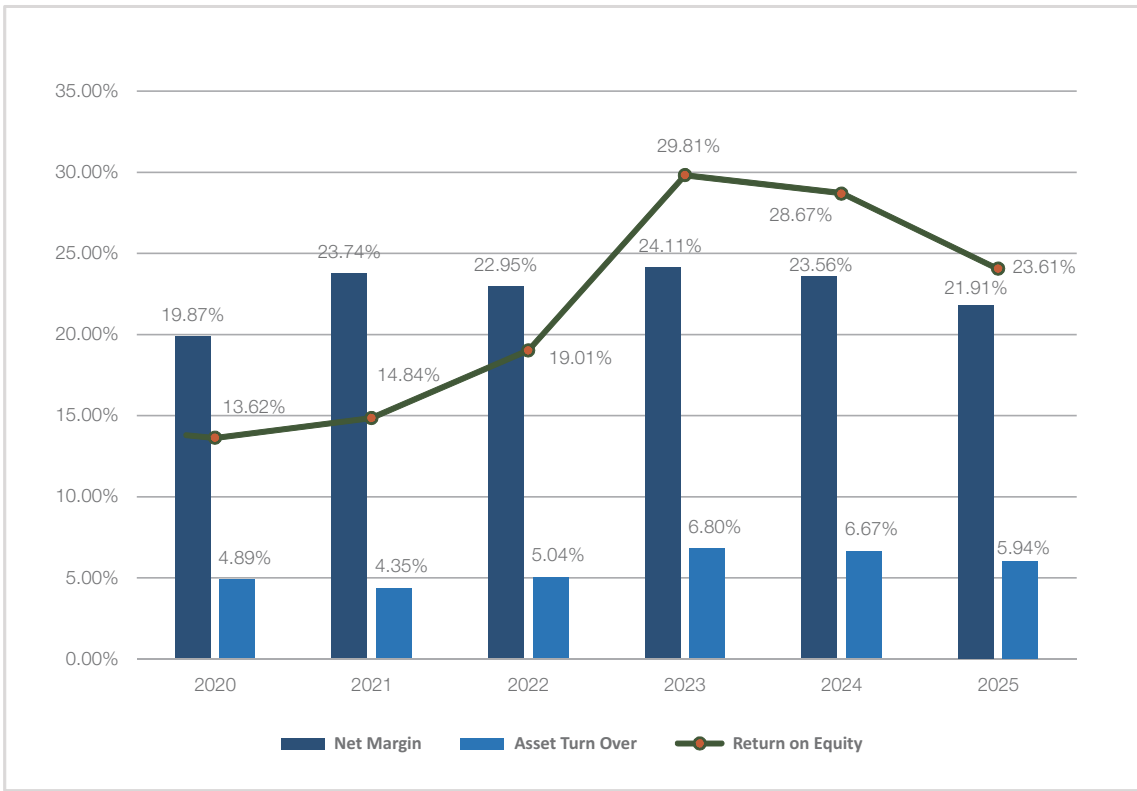
Vertical Analysis

Profit and Loss Account

	Rs in Million											
	2025		2024		2023		2022		2021		2020	
Profit / return earned	165,934	84.9%	225,052	92.8%	189,448	94.0%	104,521	92.1%	53,869	86.4%	55,922	87.2%
Profit / return expensed	96,308	49.3%	144,669	59.7%	118,395	58.7%	64,533	56.9%	28,035	44.9%	31,388	48.9%
Net Profit / return	69,626	35.6%	80,383	33.1%	71,053	35.3%	39,988	35.2%	25,834	41.5%	24,534	38.3%
Other Income												
	195,380		242,414		201,551		113,480		62,378		64,153	
Fee and commission income	12,852	6.6%	10,474	4.3%	8,518	4.3%	6,628	5.8%	5,094	8.2%	3,861	6.0%
Dividend income	525	0.3%	413	0.2%	334	0.2%	572	0.5%	464	0.7%	378	0.6%
Foreign exchange income	7,820	4.0%	5,331	2.2%	4,758	2.5%	2,848	2.5%	2,379	3.8%	2,093	3.3%
Income / (loss) from derivatives	1	0.0%	(146)	-0.1%	86	0.0%	192	0.2%	(25)	0.0%	48	0.1%
Gain / (loss) on securities	8,171	4.2%	1,070	0.4%	(1,913)	-0.9%	(1,560)	-1.4%	310	0.5%	1,697	2.6%
Net gains / (loss) on derecognition of financial assets measured at amortised cost	(331)	-0.2%	(165)	-0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other income	408	0.2%	385	0.2%	320	0.1%	279	0.2%	287	0.4%	154	0.2%
Total other income	29,446	15.1%	17,362	7.1%	12,103	6.2%	8,959	7.8%	8,509	13.6%	8,231	12.8%
Total income	99,072	50.7%	97,745	40.2%	83,156	41.5%	48,947	43.0%	34,343	55.1%	32,765	51.1%
Other Expenses												
Operating expenses	55,863	28.6%	48,676	20.1%	39,814	19.8%	26,996	23.8%	20,605	33.0%	19,401	30.3%
Workers welfare fund	960	0.5%	1,029	0.3%	887	0.5%	461	0.4%	274	0.4%	225	0.4%
Other charges	81	0.0%	97	0.0%	119	0.1%	37	0.0%	7	0.1%	114	0.1%
Total other expense	56,904	29.1%	49,802	20.4%	40,820	20.4%	27,494	24.2%	20,886	33.5%	19,740	30.8%
Profit before credit loss allowance	42,168	21.5%	47,943	19.8%	42,336	21.1%	21,453	18.8%	13,457	21.6%	13,025	20.3%
Credit loss allowance and write offs - net	(4,879)	-2.5%	(2,464)	-1.0%	914	0.5%	(940)	-0.8%	48	0.1%	2,254	3.5%
Extra ordinary / unusual items	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT BEFORE TAXATION	47,047	24.0%	50,407	20.8%	41,422	20.6%	22,393	19.6%	13,409	21.5%	10,771	16.8%
Taxation	25,344	13.0%	27,379	11.3%	21,376	10.6%	11,160	9.8%	5,256	8.4%	4,260	6.6%
PROFIT AFTER TAXATION	21,703	11.1%	23,028	9.5%	20,046	10.0%	11,233	9.8%	8,153	13.1%	6,511	10.2%

DuPont Analysis

	2020	2021	2022	2023	2024	2025
Net Margin	19.87%	23.74%	22.95%	24.11%	23.56%	21.91%
Asset Turn Over	4.89%	4.35%	5.04%	6.80%	6.67%	5.94%
Equity Multiplier - Times	14.02	14.38	16.45	18.18	18.26	18.15
Return on Equity	13.62%	14.84%	19.01%	29.81%	28.67%	23.61%



* Based on average equity excluding surplus on revaluation

Quarterly Performance Review

2024				2023			
4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr

----- Rupees in Million -----

STATEMENT OF FINANCIAL POSITION

ASSETS

Cash and balances with treasury banks	103,858	94,160	95,979	100,829	102,538	100,714	92,284	94,746
Balances with other banks	6,733	2,236	1,311	8,780	5,539	3,471	3,626	3,395
Due from financial institutions	-	-	-	-	-	20,000	-	11,000
Investments	634,940	703,704	3,500	692,509	677,372	649,836	623,598	646,604
Islamic financing and related assets	871,999	725,828	701,039	643,610	633,910	507,801	575,284	576,313
Property and equipment	52,997	49,713	719,395	48,415	44,711	39,160	33,685	32,497
Right-of-use assets	15,351	13,780	49,582	13,199	13,290	11,976	10,882	10,500
Intangible assets	2,312	2,483	13,798	2,544	2,600	2,286	2,344	2,379
Deferred tax assets	-	-	2,489	-	-	-	577	-
Other assets	86,540	96,755	91,816	82,968	82,708	111,785	75,869	97,049
	1,774,730	1,688,659	1,678,909	1,592,854	1,562,667	1,447,029	1,418,151	1,474,484

LIABILITIES

Bills payable	33,288	21,790	32,140	20,044	39,170	13,632	17,753	12,375
Due to financial Institutions	121,637	202,340	210,823	290,418	280,443	75,931	175,976	245,133
Deposits and other accounts	1,427,356	1,275,124	1,243,569	1,113,113	1,044,279	1,164,290	1,074,089	1,049,641
Lease liabilities	18,481	17,044	16,676	15,683	15,547	14,537	13,348	12,826
Subordinated sukuk	-	-	-	-	-	-	-	-
Deferred tax liabilities	5,199	6,984	7,906	7,653	12,984	6,505	-	640
Other liabilities	53,319	53,051	57,466	39,946	61,884	68,318	43,692	63,675
	1,659,280	1,576,333	1,568,581	1,486,857	1,454,305	1,343,214	1,324,858	1,384,288
	115,450	112,326	110,328	105,997	108,361	103,816	93,293	90,196

REPRESENTED BY

Share capital	15,177	15,177	15,177	15,177	15,177	15,177	15,177	15,177
Reserves	20,003	19,342	18,852	18,375	17,866	17,561	16,922	16,257
Surplus on revaluation of assets	17,164	18,903	19,887	18,175	22,772	19,410	12,360	13,465
Unappropriated profit	63,105	58,905	56,413	54,269	52,546	51,668	48,835	45,297
	115,450	112,326	110,328	105,997	108,361	103,816	93,293	90,196

PROFIT AND LOSS ACCOUNT

Profit / Return earned	41,056	40,912	41,879	42,087	48,075	56,756	59,796	60,425
Profit / Return expensed	(23,496)	(23,263)	(24,657)	(24,892)	(27,794)	(35,097)	(40,145)	(41,633)
Net Profit / Return earned	17,560	17,649	17,222	17,195	20,281	21,659	19,651	18,792
Credit loss allowance and write offs - net	(679)	(690)	(1,200)	(2,310)	(1,101)	(562)	(833)	32
Other income	11,301	7,538	5,659	4,949	5,034	3,329	4,257	4,742
Other expenses	15,293	14,931	13,339	13,342	14,727	12,659	11,392	11,024
Profit before taxation	14,247	10,946	10,742	11,112	11,689	12,891	13,349	12,478
Taxation	7,548	5,948	5,883	5,965	8,426	6,393	6,595	5,965
Profit after taxation	6,699	4,998	4,859	5,147	3,263	6,498	6,754	6,513

Cash Flow Statement - Direct Method

For the year ended December 31, 2025

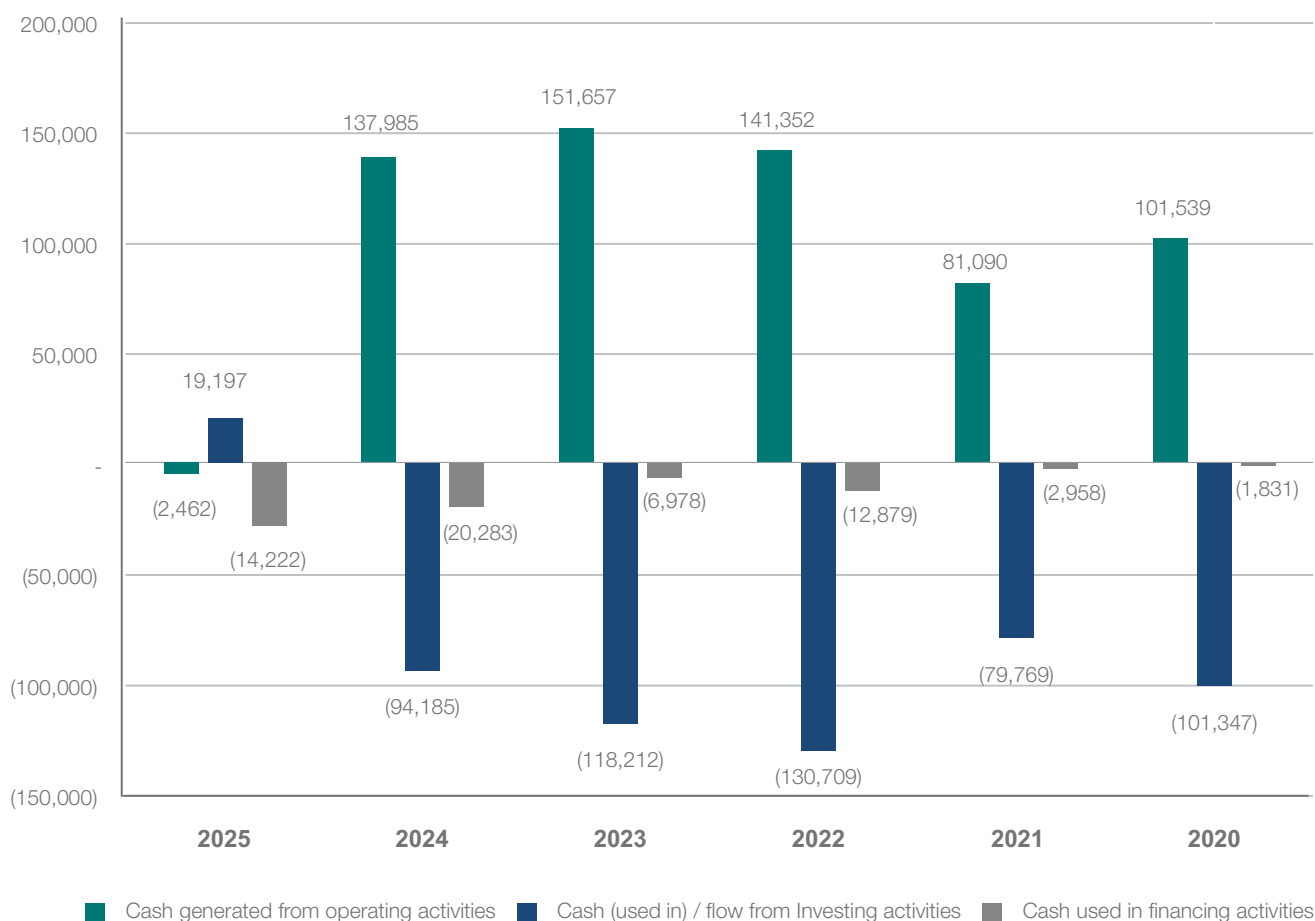
	2025	2024
	Rupees in Million	
Profit / return received	171,294	233,629
Profit / return paid	(92,923)	(146,042)
Payment to employees, suppliers and others	(18,843)	(25,629)
	59,528	61,958
Decrease / (increase) in operating assets		
Due from financial institutions	-	-
Securities classified as FVPL	1,750	6,127
Financing	(234,188)	(73,930)
Others assets (excluding advance taxation)	(12,498)	(10,231)
	(244,936)	(78,034)
Increase / (decrease) in operating liabilities		
Bills Payable	(5,882)	22,619
Due to financial institutions	(158,806)	123,854
Deposits	383,077	26,003
Other liabilities (excluding current taxation)	(6,810)	16,536
	211,579	189,012
Income tax paid	(28,633)	(34,111)
Net cash (used in) / generated from operating activities	(2,462)	138,825
CASH FLOWS FROM INVESTING ACTIVITIES		
Net divestment / (investments) in amortized cost securities	2,775	(39)
Net divestment / (investments) in securities classified as FVOCI	26,467	(75,915)
Net investments in subsidiary	(200)	(1,000)
Divestment in associates - net	-	1,515
Dividends received	524	414
Investment in property and equipment	(11,682)	(18,405)
Investment in intangible assets	(370)	(795)
Disposal proceeds of non-banking assets	925	
Disposal proceeds of property and equipment	758	40
Net cash generated from / (used in) investing activities	19,197	(94,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(3,789)	(3,810)
Dividend paid	(10,433)	(16,474)
Net cash used in financing activities	(14,222)	(20,284)
Increase in cash and cash equivalents	2,513	24,356
Cash and cash equivalents at the beginning of the year	108,077	83,721
Cash and cash equivalents at the end of the year	110,590	108,077

Summary of Cash Flows

Rs in Million

	2025	2024	2023	2022	2021	2020
Cash generated from operating activities	(2,462)	137,985	151,657	141,352	81,090	101,539
Cash (used in) / flow from Investing activities	19,197	(94,185)	(118,212)	(130,709)	(79,769)	(101,347)
Cash used in financing activities	(14,222)	(20,283)	(6,978)	(12,879)	(2,958)	(1,831)
Cash and cash equivalents at the beginning of year	108,077	83,720	57,253	59,489	61,126	62,765
Cash and cash equivalents at the end of year	110,590	107,237	83,720	57,253	59,489	61,126

Rs in Million



Share Price Sensitivity Analysis

Below is a list of some key factors that can influence the share price of Faysal Bank Limited. The list is not exhaustive and intends to cover the major areas:

Regulatory / Policy Changes

Any regulatory or policy changes that directly impact the overall banking landscape along with cost and / or revenue drivers are likely to exert a significant influence on the Bank's stock price. For example, any change in monetary policy rate has a direct impact on yields of government securities, spreads made on advances and funding costs; and in turn materially impact profitability and the share price as well. Similarly, any hike in the minimum rate of return on deposits will result in compression in net interest margins earned and can negatively impact the earning and correspondingly the share price of the scrip.

Investor and Market Sentiment

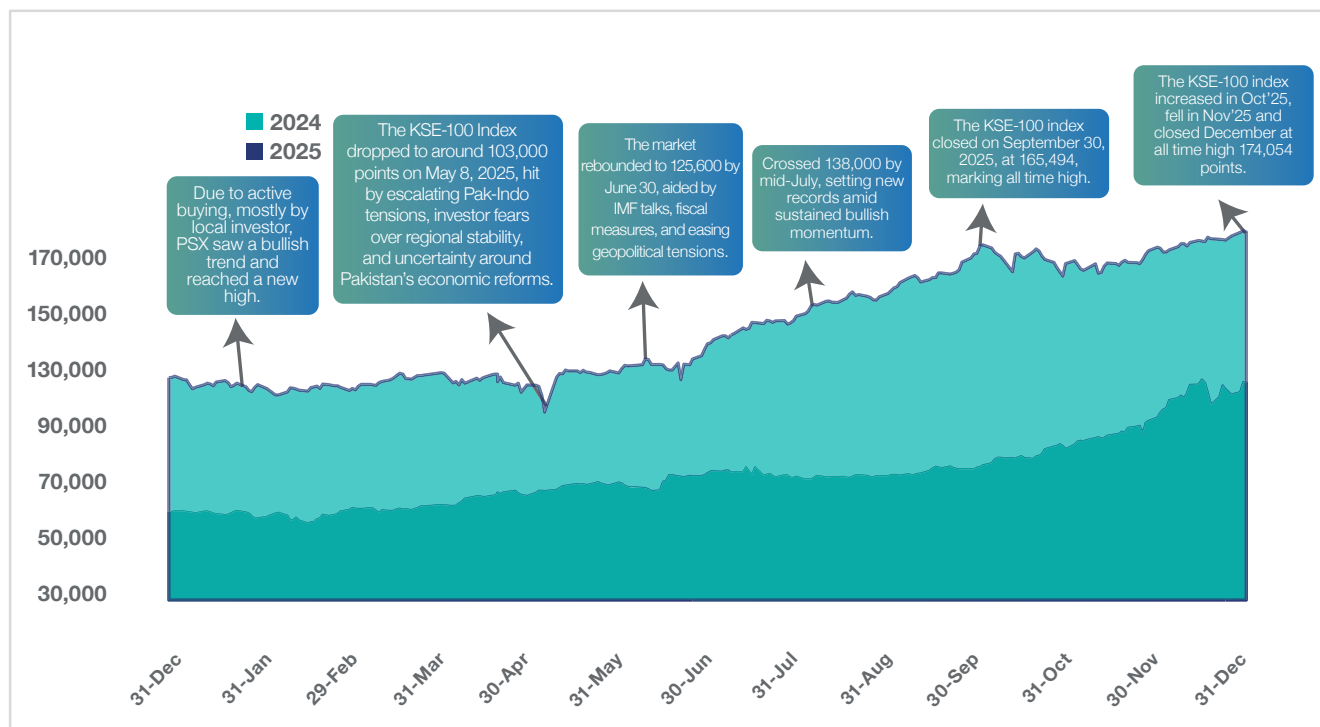
Market sentiment is often subjective which makes it difficult to quantify but a change in sentiments due to the investment climate in general or the stock market in particular can have an impact on the Bank's share price as well. Such a sentiment driven impact on the share price can occur even in the absence of any fundamental development or change in the Bank's business case.

Change in Macro Environment

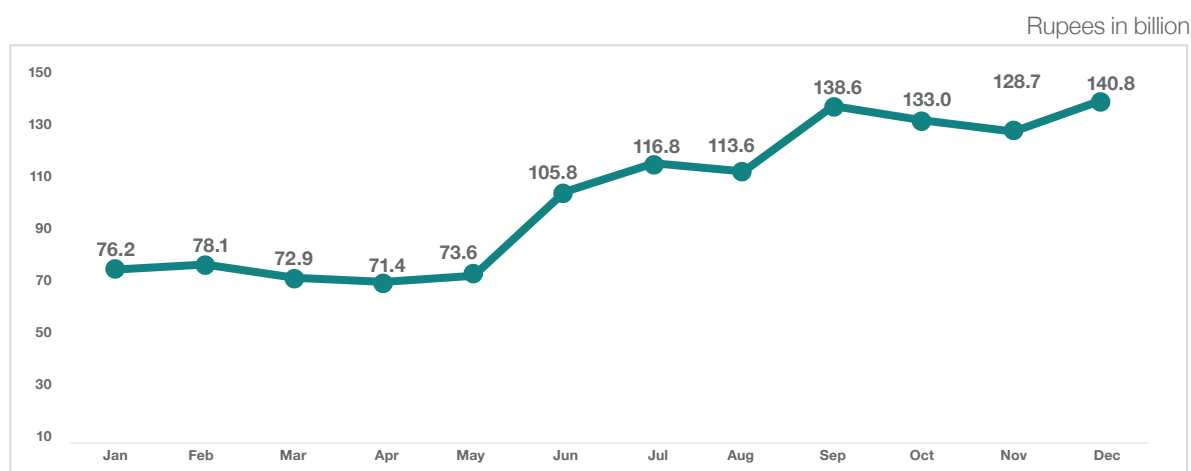
Political stability and controlled law & order situation is a pre-requisite for any economic development. Any changes in the macro environment, including inflation and / or currency devaluation could see the stock price of the Bank move alongside as market preempts such developments and extrapolates their impact on policy / regulatory changes in the Bank's share price.

Share Price as of December 31, 2025	Rs. 92.77
High Price	Rs. 96.44
Low Price	Rs. 42.61
Average Volume	2,567,720
No. of Trading Days	250

KSE 100 INDEX



Stock Market Capitalization of the Bank



Methods and assumptions used in compiling the indicators

The Bank utilizes a comprehensive set of Key Performance Indicators (KPIs) to evaluate the success of both strategic initiatives and routine operational activities. These KPIs are carefully selected to align with the FBL's objectives, offering a clear and accurate picture of its financial health, operational efficiency, and competitive positioning. The FBL monitors a variety of traditional financial ratios, such as growth in deposits and advances, the non-performing loans (NPL) ratio, and the provision coverage ratio, which help assess asset quality and risk management. In addition, profitability ratios like the net margin, non-markup income to total income, cost-to-income ratio, return on assets (ROA), return on equity (ROE), and earnings per share (EPS) are closely tracked to gauge the FBL's ability to generate income, manage costs, and provide returns to shareholders. Beyond these financial metrics, the FBL also analyzes its market position, comparing its performance to that of competitors and considering broader market conditions, such as regulatory changes and economic trends. This holistic approach enables the FBL to make informed, data-driven decisions that support sustainable growth and maintain a competitive edge in the market..

Sensitivity Analysis due to Foreign Currency Fluctuations

Foreign exchange risk / currency risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movements in currency exchange rates on the value of open foreign currency positions. Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect revenues from foreign exchange dealing.

The Bank undertakes currency risk mostly to support its trade services and maintains overall foreign exchange risk position to the extent of statutory Foreign Exchange Exposure Limit (FEEL) prescribed by the SBP.

Exposure limits such as counterparty, gap, net open position, dealer and bucket-wise currency delta limits are in place in accordance with the Bank's approved policies in order to manage associated risk and concentration at the acceptable tolerance levels.

For details about the Bank's foreign exchange risk refer note 46.2.2 to the accompanying unconsolidated financial statements for the year ended December 31, 2025

Particulars of Significant / Material Assets and Immovable Properties

The Bank has the following assets as at 31st December 2025.

	2025	
	Rupees in '000	%
Land - Freehold & Leasehold	16,918,848	24
Building on Freehold & Leasehold land	9,476,408	13
Office equipment	8,606,715	12
Vehicles, Leasehold property and improvement & Furniture and fixture	13,368,352	19
Right-of-use assets	15,351,285	22
Property and equipment	63,721,608	90
Intangible Assets	2,312,447	3
Capital work-in-progress	4,626,868	7
Total property and equipment & intangible assets	70,660,923	100

Significant immovable properties of the Bank are as follows:

Head office

-Faysal House, Shahrah e Faisal, Karachi, Pakistan

Regional Office

-3555-16, Abdullah Haroon Road, Karachi, Pakistan

-3549-310, Upper Mall, Lahore, Pakistan

-3709, Building on Plot # P-20, Ward 10, Civil Lines, Faisalabad, Pakistan

-3552, Plot # 15, Western Half, F-6/G-6, Jinnah Avenure, Islamabad, Pakistan

-39071, Building on Plot No D/1, Block 10A, Rashid Minhas Road, Gulshan e Iqbal, Karachi, Pakistan

Owned and leased premises of branch network and offices across the country.

Faysal Islami Current Account

Free services pao

CURRENT

Hojao

Open your account now and enjoy:



Free

Cheque
Book

Pay
Orders

Debit
Card

SMS
Alerts

Online
Branch
Banking



Dear Colleagues,

السلامة والرحمة لله

As part of our ongoing commitment to aggressively grow our Current Account portfolio and attract new-to-bank customers, Retail Liability Products is pleased to announce that we are going live with a comprehensive digital marketing campaign across all major digital platforms such as Google & Meta highlighting our Current Account with Free Banking Services.

This initiative is fully aligned with our strategic objectives of:

- Enhancing brand visibility
- Generating strong customer interest
- Driving new account openings
- Supporting onboarding of multiple segments

Current Account Digital Campaign Launch Date: Monday 15th December 2025

We request all colleagues to proactively share this campaign within your personal and professional circles. Your involvement will significantly enhance visibility and help us achieve strong impact across all platforms.

This initiative reinforces our commitment to delivering customer-centric convenience, driving digital-first engagement, and supporting the bank's sustained growth trajectory.

Let's work together to make this a success, Insha'Allah!

Shakeel Ahmed Akram
Head – Marketing

Ahmed Anwar Hemani
Head – Retail Liability Products & Wealth Management

Jaudat Hussain
Head – Retail Banking

بڑھو۔ یقین کے ساتھ

faysalbank

Business Model



Section 7

Our Business Model

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Value Chain Positioning – Upstream and Downstream

Upstream Partners (Enablers/Input Providers)

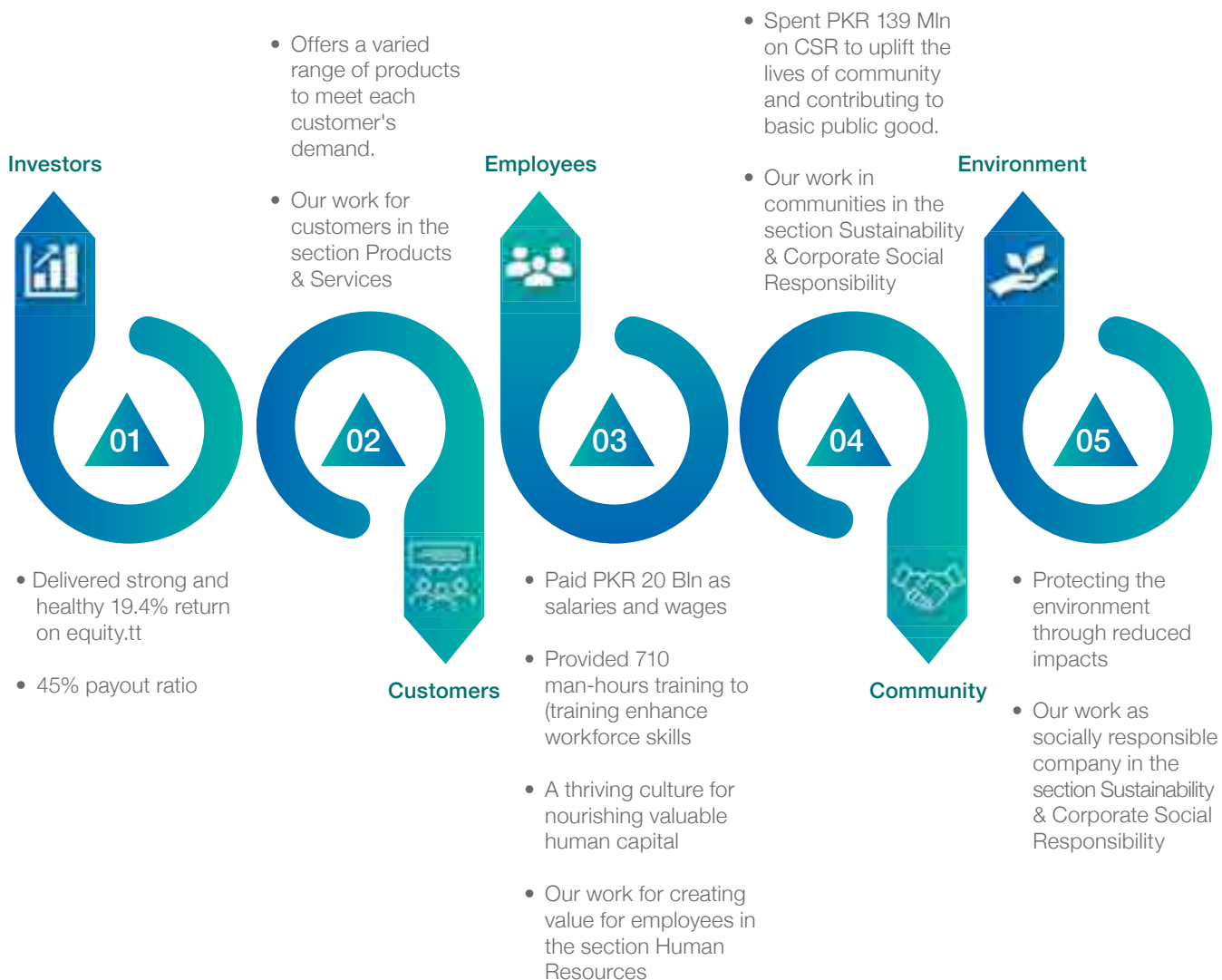
Partner	Category	Channel/Engagement Method
Central Bank	Regulatory Authority	Compliance filings, audits, and regular meetings
Federal & Provincial Governments of Pakistan	Regulatory Authority	Reporting, licensing, and approval processes
Tax Authorities	Government Entity	Tax compliance filings, audits, and digital platforms
Mastercard, UnionPay	Payment Network Providers	Partnership agreements, integration of APIs, co-branding, and marketing campaigns
EuroNet, SWIFT	Transaction Processing	System integrations, real-time monitoring, and SLA agreements
1LINK	Payment Switch	Interbank transaction setups, certification, and compliance with standards
Silverlake	Core Banking System Providers	Licensing, system integration, and ongoing support
Bloomberg, Reuters	Market Data Providers	API access, subscription-based services, and real-time updates
Western Union, MoneyGram etc.	Remittance Processing	Partnership agreements, system integration, and agent training
PwC, KPMG	Professional Services	Annual audits, risk assessment reviews, and consulting projects
Legal Advisors	Professional Services (Legal)	Contract reviews, compliance advice, and regulatory dispute management
NCR, Diebold	ATM Manufacturers	Equipment leasing, service contracts, and maintenance schedules

Downstream Partners (Service Consumers/Output Recipients)

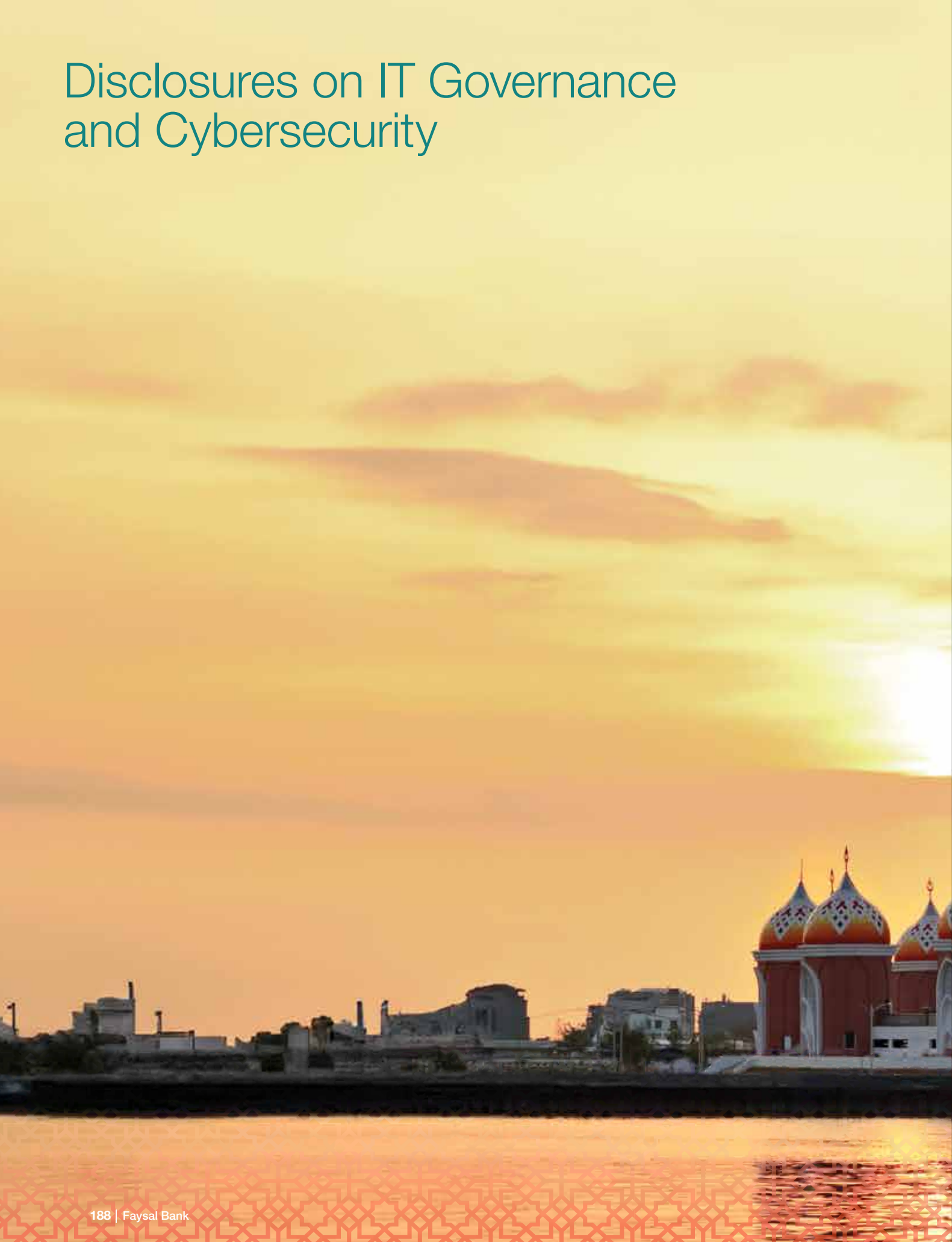
Partner	Category	Channel/Engagement Method
Retail Customers	End Users (Individuals)	Branches, ATMs, CDMs, Mobile Banking Apps, Internet banking, Relationship Managers, Loyalty programs
SMEs and Corporates	Corporate Clients	Relationship Managers, Treasury platforms, and customized service agreements
Merchants and Retailers	Ecosystem Participants	POS systems, and payment solutions
E-commerce Platform DigiMall	Ecosystem Participants	API integrations, payment gateways, and marketing partnerships
Foreign Banks	Correspondent Banks	SWIFT, bilateral agreements, and interbank platforms

Material Changes in Business Model

There have been no significant changes from prior years with respect to the Business Model of the Bank.



Disclosures on IT Governance and Cybersecurity



Section 8

IT Governance Policy

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Cybersecurity

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IT Governance Policy

Information Technology is a strategic driver of innovation, efficiency, and secure digital transformation. Guided by industry-leading frameworks COBIT for governance, ITIL for service excellence, and ISO/IEC 27001 for information security the Bank ensures IT delivers maximum business value, manages risks effectively, and maintains a robust cybersecurity posture aligned with organizational objectives.

Aligning Business, Technology, and Cybersecurity Strategies

Faysal Bank has established a comprehensive IT Governance framework that complies with regulatory requirements and integrates guidance from the Management IT Steering Committee (ITSC), the Board IT Committee (BITC), and relevant regulatory authorities. This framework ensures strong alignment between IT strategy, business objectives, and cybersecurity measures as recommended by the Bank's Information Security function. By fostering accountability, promoting effective communication, and following internationally recognized best practices, the Bank continuously enhances IT performance, strengthens cybersecurity, and advances its strategic objectives.

Driving Innovation and Integration in a Secure Digital Ecosystem

The Chief Information Officer (CIO) leads Faysal Bank's IT function, overseeing its strategic alignment with business goals, fostering innovation, and managing critical operations which includes application support & database management, software development, project management and technology infrastructure. Under the CIO's leadership, the IT Group delivers technology solutions, enabling operational excellence and digital innovation while prioritizing cybersecurity and data integrity.

Supported by skilled teams working across specialized units and verticals, the IT function develops and implements innovative solutions aligned with the guidance of the BITC and ITSC. These governing bodies prioritize technology investments, oversee major initiatives, and ensure alignment between technology risks, enterprise risk management, and cybersecurity frameworks.

Key responsibilities include:

- Reviewing and prioritizing technology projects.
- Establishing an efficient IT organizational structure.
- Provide continuous support to Information Security function to ensure alignment with the bank's risk appetite.
- Integrating Artificial Intelligence based solutions with robust security protocols.
- Ensure conducting independent technology audits to ensure compliance and mitigate risks.

Enhancing Technology Operations through Governance, Risk, and Compliance

The IT Governance function plays a pivotal role in fortifying Faysal Bank's IT landscape, particularly in cybersecurity and operational efficiency. Key advancements include:

1. **Streamlined Change Management:** Change management processes have been strengthened in accordance with ITIL 4 and COBIT 2019 principles to ensure controlled, risk-assessed, and timely implementation of infrastructure and application changes. These enhancements minimize service disruptions, improve traceability, and enable agile adoption of new technologies.
2. **Introduction of the e-Audit Tool:** The implementation of the e-Audit tool aligns with regulatory compliance requirements by automating audit workflows, compliance validation, and risk assessments. It provides real-time visibility into control effectiveness and enables continuous monitoring.
3. **Automated Software Quality Assurance (QA):** In line with industry-leading QA practices, software quality assurance processes have been automated to accelerate the software development lifecycle while enhancing testing accuracy, consistency, and security. Automated QA improves application stability, reduces manual errors, and ensures compliance with defined quality and information security standards.
4. **Ivanti ITSM And EPM:** Ivanti ITSM and Ivanti EPM together help organizations manage their technology and services efficiently. ITSM focuses on handling IT support and service requests, making sure issues are resolved quickly and processes are organized. EPM, on the other hand, manages all company devices—keeping them updated, secure, and running smoothly without manual effort. Combined, they ensure employees get reliable IT support while devices stay safe and well-maintained, saving time and reducing risks for the business.

Advancing Digital Transformation and Cyber Resilience

Faysal Bank drives digital transformation through agile, secure, and innovative IT operations, leveraging advanced technologies and robust cybersecurity to deliver cutting-edge financial solutions. By strengthening IT governance and embracing digital innovation, the Bank ensures rapid adoption of market changes, regulatory compliance, and leadership in the evolving financial technology landscape.

Cybersecurity

Evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches

The Board remains focused on instigating a culture of cyber resilience as the Bank progress towards the new platforms. This resilience culture is in strict compliance to the pertinent legal & regulatory instructions, as well as leading practices related to cybersecurity risk management. The Board assumes the responsibility of oversight and governance of the cybersecurity risk and ensures that the cybersecurity objectives are met without any major incidents in the Bank.

IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place

The Bank continued its focused on protecting its crown-jewels assets & remains vigilant to evolving cyber threats. The Bank has established a comprehensive information security program, comprising of information security policy, detailed standards & procedures, and an all-inclusive cybersecurity framework. These policies, standards, and frameworks are kept up to date with evolving technology and digital advancements

Role of cybersecurity in the board's risk oversight function

The Board has the oversight on cybersecurity matters, whereby key risk items and issues are presented to the Board on periodic basis. Concerns and measures relating to evolving threats is also responded to the Board.

Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.

The Board has mandated the cybersecurity oversight responsibilities to the following Board Sub Committees:

Board Information Technology Committee (BITC):

- The committee is mainly responsible for advising and reporting to the board on the status of technology activities and digital initiatives in the bank. These reports enable the board to make decisions without having to be involved in routine activities.
- The committee reviews IT and Digital strategies and relevant policies before submission to the board.
- The committee ensures that risk management strategies are designed and implemented to achieve resilience, such as the ability to effectively respond to wide-scale disruptions, including cyber-attacks and attacks on critical infrastructure.
- The committee receives periodic updates from the IT Steering Committee to monitor all technology-related projects approved by the board.
- The committee ensures that technology procurements are aligned with the IT strategy approved by the board.

Bank's controls and procedures about an "early warning system" that enables the Bank to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.

The Bank has acquired renowned third-party services that provide insights on the activities occurring on Surface, Dark,

and Deep Web concerning the Bank. At the same time, multiple Threat Intelligence (TI) feeds have also been subscribed by the Bank, which assist the cybersecurity function in pre-empting a possible attack on the bank's systems & infrastructure, thereby developing and recommending appropriate controls against such risks on the horizon. Using the information from these early warning systems, the Board is apprised of any imminent threat as well as the countermeasures adopted by the Bank.

Policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.

In compliance with regulatory instructions and leading practices, the Bank has a comprehensive program for security assessments of technology environment and third parties, in order to ensure the maintenance of cyber resilience and desired risk posture. The assessments are undertaken regularly all around the year to ensure that any changes to the technology footprint does not pose a challenge to cybersecurity posture of the Bank.

Resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about Bank's cyber insurance.

The Bank has developed and implemented a comprehensive resilience mechanism that addresses the continuity of service provision to our customers through redundancy and alternate sites. At the same time, the Bank undertakes frequent drills of a cyber-attack scenario that keep the pertinent staff alert for a real situation.

Advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.

Digital transformation is imperative in today's business landscape, not only to enhance operational efficiency but, more importantly, to design processes that elevate customer experience and enable superior service delivery. In alignment with this vision, Faysal Islami Bank has undertaken several initiatives, including the deployment of AI-powered chat bots. These solutions are designed to be inclusive and driven by advanced machine-learning capabilities, enabling seamless, natural language interactions that deliver swift and precise responses. The implementation of AI-based chat bots is expected to significantly enhance Faysal Bank's customer service experience while simultaneously optimizing operational efficiency by alleviating the workload of support teams.

Education and training efforts of the Bank to mitigate cybersecurity risks.

We continue to develop our internal talent pool and recruit external talent where required to support these critical capabilities. All cybersecurity and IT staff are required to attain training on new technology as well as participate in conferences & seminars to be aware of new trend

Future Outlook



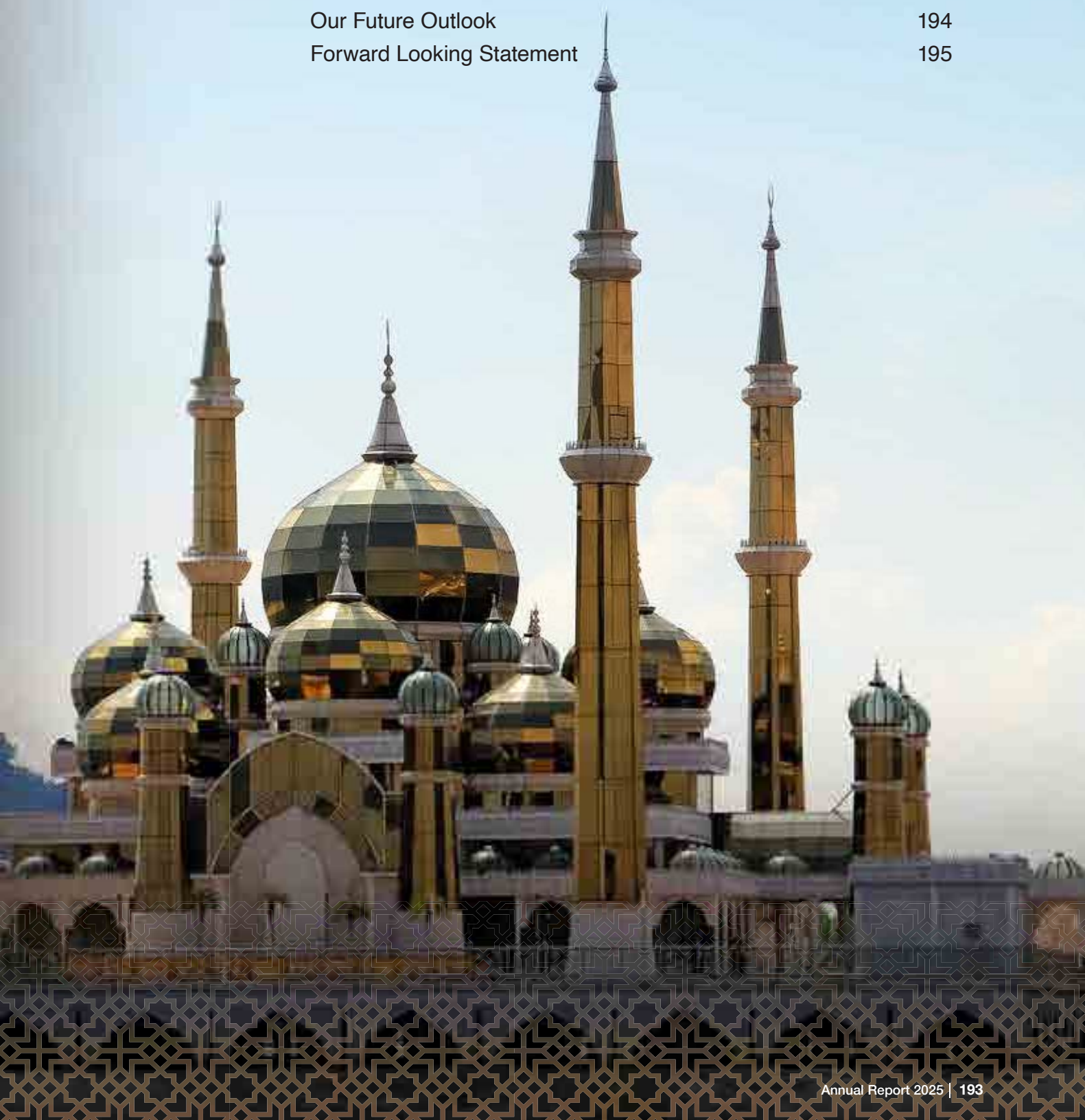
Section 9

Our Future Outlook

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Forward Looking Statement

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Sources of Information & Assumptions Used for Projections & Forecasts

Faysal Bank’s strategic outlook is shaped by a comprehensive analysis of market trends, customer behavior, and financial forecasts. The projections are derived from both internal business data and external economic indicators including industry analysis from various sources. External factors include the discount rate, inflation rate, current and balance of payment accounts position, industry analysis, GDP growth, and other macroeconomic indicators. Internal factors encompass the Bank’s strategic objectives, financial performance, Bank’s aspiration and competitive advantages. The bank utilizes a combination of internal data analytics and external market research to develop these assumptions, thus establishing the basis for its operational and financial forecasts and projections. Additionally, specialized external consultants provide insights into key focus areas ensuring alignment with industry best practices.

Forecasts are formulated on essential assumptions concerning market trends, industry growth, economic conditions, peer analysis, and regulatory changes. Forecasts are formulated based on essential assumptions about market trends, industry growth, economic conditions, peer analysis, and regulatory changes. These factors include anticipated variations in customer preferences and seasonal choices, opportunities for expansion in promising markets, the progression from traditional to digital banking, targeting affluent areas with emerging potential. Additionally, adapting to changes in consumer financial behavior and regulatory environments is crucial. Incorporating these insights enables Faysal Bank to strategically position itself for informed decision-making and adaptability to future developments. By integrating internal expertise with external insights, Faysal Bank aims to make informed, future-ready strategic decisions.

Performance Against the Forward-Looking Statement - Previous Year

Area	Disclosure in 2024	Performance in 2025
Growth	Achieving strategic targets against KPIs	Net Profits: PKR 21.7 billion Dec'25 Deposits: PKR 1,427 billion Dec'25 ROE%: 19.4% Dec'25
	Opening 45 new branches	Faysal Bank successfully opened 45 new branches in the year 2025, reaching 900 branches in 360 different cities.
Digital Banking	Digital solutions and enhancement in eco system	Deployed 23K + QR/POS to merchants WhatsApp Banking caters 500K+ service requests every month Deployed 122 Cash Deposit Machines (CDMs) Deployed 900+ Automated Teller Machines (ATMs)
	Full-fledged digital distribution channel	1.29M+ users of DigiBank App 69M Digital Transaction Count
Maintain ADR	Maintain ADR above 50%	Maintained ADR at 64% in Dec'25 (SPLY - 65% at Dec'24)

Forward-Looking Statement

As Faysal Bank forges ahead, it remains steadfast in its commitment to sustained growth while navigating the evolving dynamics of the banking industry. The Bank's strategic priorities are anchored in digital transformation, sustainability, and innovation—pillars essential to ensuring long-term success and resilience.

Looking forward, Faysal Bank is set to optimize its supply chain by refining product offerings, broadening digital solutions, and strengthening strategic partnerships. These initiatives aim to foster a rather efficient, customer-centric ecosystem, promoting sustainable growth and delivering value across all sectors. Recognizing the increasing demand for Islamic banking, Faysal Bank is poised to leverage its commitment to innovation and customer-centricity by expanding its digital banking platform, introducing new Shariah-compliant products, and exploring new market opportunities.

While optimistic about these growth prospects, Faysal Bank remains vigilant against potential risks, such as economic volatility, global geopolitical uncertainties, and local regulatory changes, which have an influence on its strategic direction. To address these challenges, the Bank will continue to monitor the external environment closely and adapt its strategies proactively. Additionally, Faysal Bank foresees increased adoption of digital banking solutions, deeper market penetration in underserved regions, and an enhanced focus on SME and consumer financing. These efforts reflect its dedication to providing innovative, accessible, and compliant financial services, strengthening its position as a leader in the Islamic banking sector.

Stakeholders Relationship and Engagement





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Identification of Key Stakeholders

We are committed to understanding each stakeholder's concerns and expectations and then applying the relevant inputs to our decision-making to ensure sustained value creation. We aggregate our material stakeholders in terms of their level of influence on us and our impact on them. Based on this broad-based assessment, we prioritize these relationships and while we engage with all our stakeholders, we have identified our key stakeholders as those with whom we need to collaborate with, consult and involve and as such have developed goals for each.

Stakeholders Engagement Process and Frequency

Stakeholder engagement is an integral part of developing an understanding of our stakeholders' needs, interests and expectations and assists the Bank with strategic and sustainable decision making.

Stakeholders	Customers	Employees	Institutional Investors/ Shareholders/Analysts
Value Created	Customer satisfaction is integral to achieve strategic objectives. Promote financial inclusion, fair treatment of customers and high customer satisfaction and loyalty.	Our employees, ambassador to the customers, represent our biggest asset, implementing every strategic and operational decision.	The providers of capital allow FBL the means to achieve its vision; while the analysts endorse the trust the investors place in the bank.
Engagement Management	- Professional staff for customer assistance at 900 branches across Pakistan. - Interaction through our relationship managers, call centers, social media, and various advertising activities	- Regular electronic newsletters - Compliance letters - Grievance reporting procedure	- Quarter semi-annual and annual financial statements - Annual General Meeting - Participation in local and international road shows - Press releases - Investors' Grievance Portal
Frequency	As & when customer need arises.	- When the need arises. - Internal training sessions: 773 - External training sessions: 96	- Quarterly & annually. - Cash Dividend: 65% - Interim: 45% - Final: 20% - Corporate Briefings session (CBS) April 2026

Service Providers	Regulatory Bodies	Local Community	Media
Our growth is also attributable to engaging reputed and dependable suppliers as business partners.	We pride ourselves in being a responsible corporate citizen and abide by all laws and regulations.	To inculcate social and environmental consciousness and remain a conscientious member of the corporate community.	By availing this avenue of communication, effective awareness is created regarding the Bank and products and services it offers, along with mitigating reputational risks.
As per the policies and procedures laid down in the Bank's General Services Procedures	- Submission of applicable statutory returns - Responding / enquiring various queries / information	The Bank actively participates in various social work initiatives as part of its corporate social responsibility.	Advertisements through print, electronic, social media, website, and interviews.
When the need arises.	- As per regulatory timelines. - When the need arises.	- When the need arises. - Environment protection through implementation of Green Banking policies - Persons employed: 10,117	- When the need arises. - Responding timely and relevantly to media queries.

Steps to Encourage Minority Shareholders Participation in AGM

The Bank organises shareholders' meetings in order to have a proper communication with its shareholders, specially the minority shareholders. Each shareholder, irrespective of holding and voting power is important to the Bank. We value them, their concerns, their suggestions and grievances, if any. At each Annual General Meeting (AGM) or Extraordinary General Meeting (EOGM), we ensure a two-way communication with the shareholders, particularly, the minority shareholders.

The notice of all general meetings is published in leading newspapers (in both Urdu and English languages) having circulation all over the Country, placed on the Bank's website and emailed to all shareholders well before the occurrence of the meeting.

All minority shareholders irrespective of their shareholding can appoint proxy, participate through video conference (VC)

and vote through e-voting. They can suggest, propose, comment, record their reservations during the meeting, and enjoy full rights to propose and second any agenda item presented. Shareholders can also actively participate during general meetings in discussions on operations, objectives and future strategy of the Bank. They can always demand the draft minutes of meeting within stipulated time post the event and are privileged to object on any intended major investments, planned acquisitions, mergers and takeovers or any other corporate / capital restructuring.

The Bank always facilitates and ensures shareholders presence while entertaining their requests if feasible and viable. It values and honors their inputs, records their concerns, prepositions, suggestions in minutes and keeps them abreast on the progress and subsequent actions.

Issues raised in the last AGM, decisions taken and their implementation status

The 30th Annual General Meeting, scheduled for March 25, 2025, through physically and virtually in compliance directives issued by Securities and Exchange Commission of Pakistan.

Synopsis of the decisions taken in 30th Annual General Meeting is given below:

ORDINARY BUSINESS:

1. Confirmed the minutes of the 29th Annual General Meeting held on March 6, 2024
2. Approved the Unconsolidated & Consolidated Financial Statements and Statement of Compliance with Code of Corporate Governance of FBL for the year ended December 31, 2024, together with the Directors' and Auditors' Reports thereon.

3. Approval of the 25% Final Cash Dividend for the year ended December 31, 2024, in addition to 10% Interim Cash Dividend for the First Quarter ended March 31, 2024, 20% Interim Cash Dividend for Second Quarter ended June 30, 2024, and 15% Interim Cash Dividend for Third Quarter ended September 30, 2024, already paid to the Shareholders.
4. Appointment of External Auditors for the ensuing financial year 2025.

Summary of Analyst Briefing

Regular interactive sessions between the management of the Bank and the investor community are an excellent opportunity for the former to apprise the latter about the business environment of the country, discuss its financial performance, competitive landscape and future prospects.

The sessions are conducted with the objective of ensuring timely and equitable distribution of information to all concerned, and to give the right perspective of the business affairs of the Bank to the investors – existing and potential – to assist in investment decision-making.

The Bank's latest Corporate Briefing Session was held based on December 31, 2025 results. The CFO presented a detailed analysis of Bank's performance along with future outlook. The session was followed by a Q & A session.

The presentation of the CBS can be accessed in the Investor Relations section of the Bank's website.

Redressal of Investors' Complaints

The Bank maintains an Investor Relations page on its corporate website where contact details for the designated officer responsible for assisting and handling shareholders' grievances are provided. The representative is actively involved in addressing complaints received from any regulatory forum, with dedicated resources allocated to

ensure effective and efficient resolution. Investors seeking to address their concerns and complaints can visit the Investor Relations page on our website. The Bank is steadfast in its commitment to resolving grievances within the prescribed statutory timelines

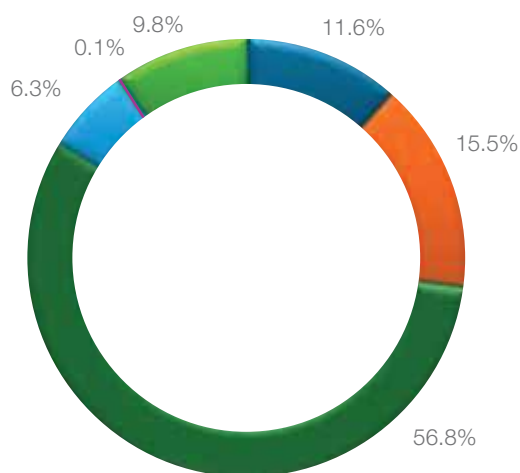
Investor Relation Section on Corporate Website

For More Information please visit www.faisalbank.com

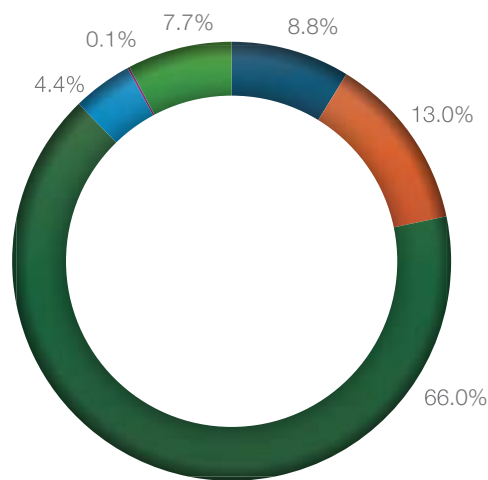


Statement of Value Added

	2025		2024	
	Rupees '000	%	Rupees '000	%
Profit / return earned on Islamic financing and other related assets, investments and placements - net of provision	170,812,331	100.7%	227,516,298	103.8%
Fee, commission and brokerage income	12,852,455	7.6%	10,474,136	4.8%
Dividend income	525,093	0.3%	412,870	0.2%
Income from dealing in foreign currencies	7,820,184	4.6%	5,331,126	2.4%
Gain on securities, derivative and other income	8,249,377	4.9%	1,143,928	0.5%
	200,259,440	118%	244,878,358	112%
Operating and other expenses excluding salaries, depreciation, amortisation and workers welfare fund	(30,587,396)	-18.0%	(25,707,488)	-11.7%
Value Added	169,672,044	100%	219,170,870	100%
Distributed as follows:				
To Depositors As profit on investments	96,307,678	56.8%	144,668,941	66.0%
To Employees As remuneration	19,643,039	11.6%	19,196,584	8.8%
To Government As income tax	25,343,879	14.9%	27,379,467	12.5%
Workers Welfare Fund	960,149	0.6%	1,028,728	0.5%
To Expansion Depreciation & Amortisation - owned assets	5,574,610	3.3%	3,728,027	1.7%
Retained in business	11,079,538	6.5%	13,163,163	6.0%
To Society As donations	139,275	0.1%	140,930	0.1%
To Shareholders As dividends / bonus	10,623,876	6.3%	9,865,030	4.5%
	169,672,044	100%	219,170,870	100%



2025



2024

■ To Employees ■ To Government ■ To Depositors ■ To Shareholders ■ To Society ■ To Expansion

Alhamdulillah

Recognized as the
**BEST BANK
OF PAKISTAN**
(Mid-Sized)

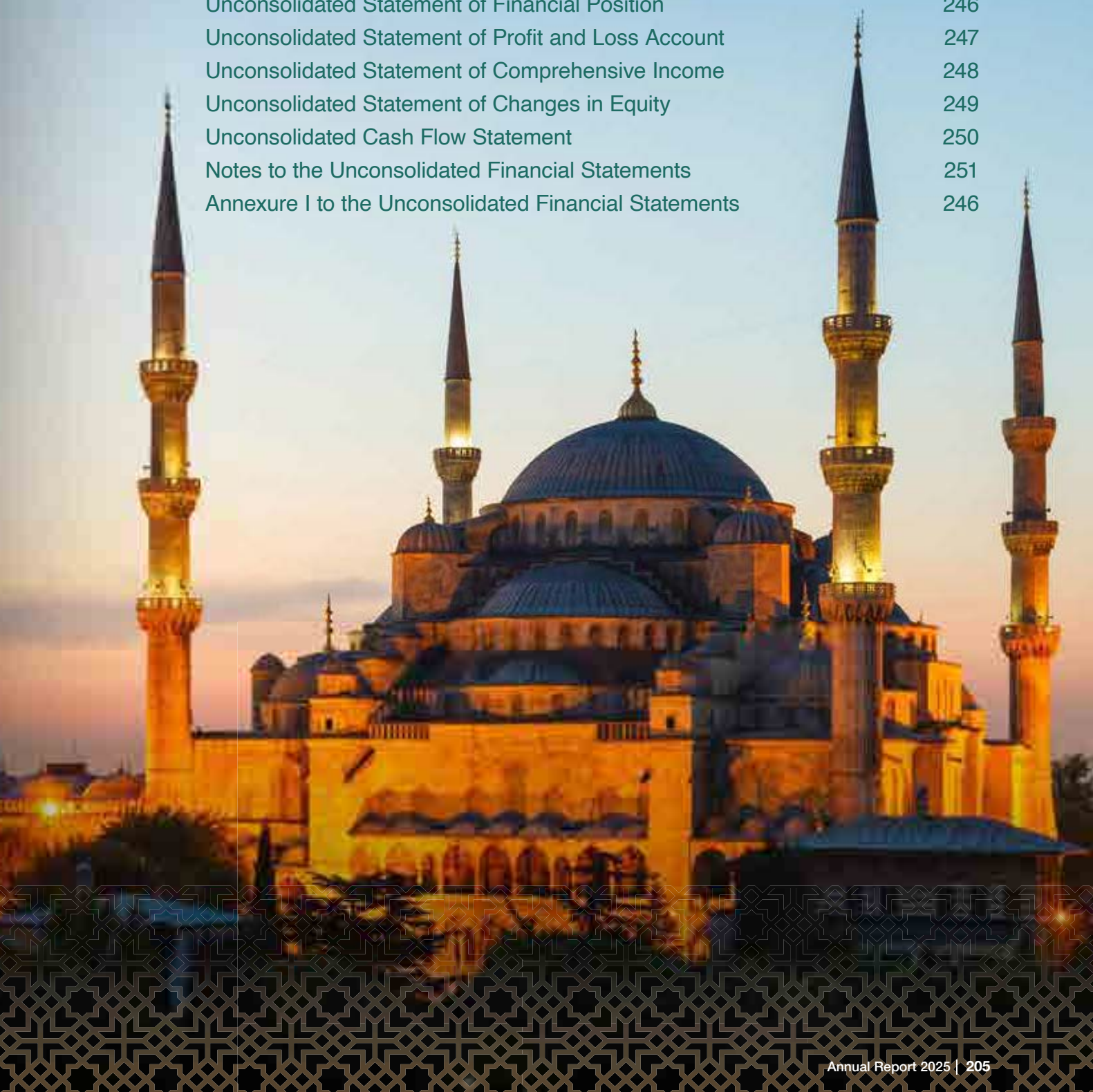


Financial Statements



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Directors' Report

Unconsolidated Financial Statements

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Faysal Bank Limited ("FBL" or "the Bank") along with Audited Financial Statements and the Auditors' Report thereon for the year ended December 31, 2025.

Company Profile

FBL was incorporated in Pakistan on October 03, 1994, as a public limited company and its shares are listed on Pakistan Stock Exchange. FBL offers a wide range of Islamic banking services to all customer segments, i.e., Retail, Small & Medium Sized Enterprises, Commercial, Agri-based, and Corporate.

The Bank surrendered its conventional banking license on 31 December 2022 and effective 01 January 2023 began operations under an Islamic Banking License issued by the State Bank of Pakistan. It's footprint spreads over 369 cities across the country with 900 branches offering full-fledged sharia-compliant banking services.

Holding Company

Ithmaar Bank B.S.C (closed), a banking entity regulated by the Central Bank of Bahrain, is the parent company holding directly and indirectly 66.78% (2024: 66.78%) of the Bank's shares. Ithmaar Bank B.S.C. (closed) is a wholly owned subsidiary of Ithmaar Holdings B.S.C. Dar Al-Maal Al-Islami Trust (DMIT) is the holding entity of Ithmaar Holding B.S.C. and the ultimate parent Company of the Bank. DMIT was formed by an indenture under the laws of the Commonwealth of The Bahamas for the purpose of conducting business affairs in conformity with Islamic law, principles, and traditions.

Economic Update

Pakistan's economy showed cautious stabilization during 2025, marked by improving macroeconomic fundamentals, sharp disinflation, fiscal consolidation, and a gradual recovery in investor confidence. While growth remained moderate and structural constraints persisted, the year reflected enhanced macroeconomic resilience despite climate-related disruptions and a challenging global environment.

Economic momentum strengthened in Q1 FY2026, with real GDP growth accelerating to 3.7% year-on-year, compared to 1.6% in Q1 FY2025. This improvement was driven mainly by a strong rebound in the industrial sector, which expanded by around 9%, supported by easing financial conditions, improved input availability, inventory normalization, and favorable base effects. Manufacturing activity showed broad-based recovery, while the agriculture sector grew by approximately 2.9%, led by livestock and allied activities despite weather-related challenges.

A key macroeconomic development in 2025 was sharp disinflation, with average headline inflation declined to 4.5% in FY25 from 23.4% last year. This was driven by easing global commodity prices, improved domestic food supplies, and reductions in administered electricity tariffs. The decline in inflation helped restore purchasing power and provided policy space to support growth.

Monetary policy remained cautious yet supportive. In December 2025, the State Bank of Pakistan reduced the policy rate by 50 basis points to 10.5%, followed by a status quo in January 2026. The easing reflected expectations that inflation would remain within the medium-term target range of 5–7%, supported by favorable base effects and easing supply-side pressures, alongside a reduction in the Cash Reserve Requirement from 6% to 5%.

Fiscal consolidation strengthened during the year, with the fiscal deficit narrowing to 5.4% of GDP from 6.9% last year. Tax revenues increased by 26% to PKR 12.7 trillion, while total revenues rose by 35% to PKR 18.0 trillion. Expenditure discipline resulted in a primary surplus of 2.4% of GDP, compared to 0.9% last year, with fiscal outcomes remaining aligned with IMF program objectives. The external account recorded a surplus of USD 2.1 billion in FY2025, supported primarily by strong workers' remittances and a modest recovery in exports. However, early FY2026 indicators showed renewed pressure, with a cumulative current account deficit of USD 812 million during July–November, driven by higher imports and subdued export growth, partially offset by continued strength in remittance inflows.

Capital markets reflected improved investor sentiment, with the KSE-100 Index rising by over 50% to close at 174,054 points. Performance was led by strong domestic institutional participation, despite foreign outflows and episodic volatility linked to geopolitical developments.

Looking ahead, sustaining economic momentum will require consistent policy implementation, timely external financing, and accelerated structural reforms to broaden the growth base. While 2025 established a firmer macroeconomic foundation, the key challenge remains translating stability into durable and inclusive growth.

Bank's Performance

A detailed review of the Bank's performance is given in the following paragraphs:

Financial Performance

Key Balance Sheet Numbers	2025	2024	Growth
	Rs. in million		%
Investment	634,940	677,372	-6.3%
Financing – net	871,999	633,910	+ 37.6%
Total Assets	1,774,730	1,562,668	+ 13.6%
Deposits	1,427,356	1,044,279	+ 36.7%
Profit & Loss Account			
Total Revenue	99,073	97,745	+ 1.4%
Total Expenses	(56,904)	(49,802)	+ 14.3%
Profit before tax and provisions	42,168	47,943	-12.0%
Net Provision (charge) / reversal	4,879	2,464	+98.0%
Profit before tax	47,047	50,408	-6.7%
Tax	(25,344)	(27,379)	-7.4%
Profit after tax	21,703	23,028	-5.8%
Earnings per share (Rupees)	14.30	15.17	-5.8%
Gain realized directly in equity (net of tax) on disposal of equity securities & property	1,456	209	+597%

Despite significant industry headwinds, including declining policy rates and the implementation of the Minimum Deposit Rate (MDR) for Islamic banks, the Bank delivered a resilient performance in 2025 and sustained strong returns. On a standalone basis, Profit After Tax (PAT) stood at PKR 21.7 billion, translating into Earnings Per Share (EPS) of PKR 14.30 (Dec'24: PKR 15.17). While the decline in policy rates and the introduction of MDR exerted pressure on the bottom line, this impact was largely mitigated through growth in current deposits, higher non-fund income and reversal of provisions.

During 2025, the Bank continued its growth trajectory and maintained resilient topline momentum with total revenue reaching PKR 99.1 billion, representing a year-on-year increase of 1.4%. This was achieved despite reduction in policy rates and the introduction of Minimum Deposit Rate (MDR) on savings deposits effective January 1, 2025. Net spreads earned were PKR 69.6 billion, with the impact of margin compression partially offset by strong growth in current deposits of PKR 128 billion (31.3%), further strengthening the Bank's low-cost funding base.

Non-funded income remained a key contributor to the revenue, with a growth of 69.6%, reaching PKR 29.4 billion in 2025.

Fee income increased by 22.7%, to PKR 12.9 billion, driven primarily by higher trade related income, card fees and branch banking income. FX income maintained strong momentum, growing by 46.7%, to PKR 7.8 billion. Dividend income also increased by 27.2%, to PKR 0.5 billion, while an increase of PKR 7.1 billion in capital gains was achieved. Additionally, the Bank has also realized gain (net of tax) of PKR 1.2 billion on equity securities booked directly in equity during 2025, compared to PKR 0.2 billion in the last year.

The total expenses increased by 14.3% over 2024, primarily due to inflationary pressures and the full year impact of branch network expansion. Despite a strong 69.6% growth in non-fund income, margin compression resulting from policy rate reduction led to an increase in the cost-to-income ratio from 51% in 2024 to 57% in 2025. The Bank recorded a net reversal of provisions amounting to PKR 4.9 billion, compared to PKR 2.5 billion last year. Asset quality continued to improve, with the infection ratio declining to 2.3% from 3.6%, while total provision coverage stands at 97.0%.

The bank's total assets grew to PKR 1.8 trillion, driven by strong deposit mobilization. Growth in current accounts remained robust, crossing half trillion mark to PKR 536 billion i.e., 31.3% growth over December 2024. Bank's total deposits increased by 36.7% to PKR 1.43 trillion as at December 2025, with market share improving from 3.45% to 3.81%. FBL's net financing increased by 37.6% to PKR 872 billion as at December 2025, with market share improving from 4.2% to 6.1%. ADR strengthened to 61.1% at Dec'25 from 60.7% at Dec'24. The Bank's Capital Adequacy Ratio (CAR) decreased to 14.04% from 16.54% last year primarily due to balance sheet expansion and remains comfortably above the minimum regulatory requirement for 2025.

The Bank remains committed to delivering exceptional results and creating sustainable value for all stakeholders. With a solid foundation and a strategic focus on growth, we are confident in our ability to In Sha Allah, achieve new heights in future.

Change in Accounting Estimate

During the year, the Bank has reviewed the useful life of certain assets which are classified as office equipment. This review has resulted in a change in the useful life of these assets which is more reflective of the consumption pattern of these assets. These revisions have been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, with effect from January 1, 2025.

Business Overview

Retail Banking

Retail Banking demonstrated robust growth in 2025, maintaining total deposits over PKR 1.4 trillion. The segment remained focused on strengthening the Bank's balance sheet through improved asset quality, enhanced operational efficiency and optimizing the cost of deposits. A consistent customer-centric approach continued to support portfolio stability and resilience. During the year, FBL expanded its branch network by 45 new branches, increasing the total to 900 branches nationwide and extending banking services to over two million customers, further reinforcing the Bank's financial inclusion agenda.

As part of the ongoing strategic focus on addressing the diverse needs of its customer base, FBL further strengthened its segmented retail banking proposition in 2025 by delivering tailored, Shariah-compliant solutions to distinct customer cohorts. As part of this strategy, the Bank launched several innovative and industry first offerings during the year, aimed at redefining customer experience for both individual and business segments. The offerings are outlined below:

1. Bakamaal Karobar account

Designed to address the diverse needs of businesses across Pakistan from small merchants to large enterprises. The account offers tailored solutions for merchant segments, supported by comprehensive payment collection options including QR payments, POS machines, Internet Payment Gateway (IPG), and Faysal Transact. The account also provides a range of free banking features.

2. Hamara Pakistan Remittance Account

A pioneering initiative aimed at simplifying and formalizing the remittance experience for individuals receiving home remittances through cash-over-the-counter channels. The account enables instant account opening at the teller counter at the time of remittance collection, transforming the traditional remittance-to-banking journey. With a fully digital and paperless onboarding process, customers benefit from a welcome bonus, cashback on remittances, and a complimentary health card with hospitalization coverage, promoting financial inclusion and long-term customer engagement.

3. Mahir I.T Exporter & Freelancer Current Account

A tailor-made solution for freelancers and IT exporters engaged in digital and online services. The account comprises a Qard-based PKR Current Account (Primary Account) along with a linked Foreign Currency (FCY) account, allowing up to 50% retention of foreign currency earnings. Additionally, the account offers both USD and PKR debit cards, ensuring a seamless and efficient banking experience and supporting Pakistan's growing digital export economy.

4. Amal Women E+ (Extension of Amal Women Account)

Amal E+, an enhanced financial and business empowerment platform under the Amal Women Account, designed for women entrepreneurs across Pakistan. Built on the pillars of Empowerment, Enterprise, and Entrepreneurship, Amal E+ offers a holistic ecosystem combining Shariah-compliant financing, digital enablement, and business support. The platform provides access to subsidized financing under the Prime Minister's Youth Business & Agriculture Loan Scheme, along with exclusive consumer finance benefits for eligible customers.

5. Roshan Digital Account (RDA)

RDA portfolio delivered exceptional performance, deposits grew by 54%, underscoring strong and sustained confidence in FBL's digitally enabled, secure, and user-centric banking solutions. Building on this strong momentum, the Bank further strengthened its value proposition with the launch of the Business Value Account for Overseas Pakistanis. This innovative offering enables a fully paperless and seamless digital onboarding experience, allowing business-oriented customers to open accounts remotely. The launch represents a strategic milestone in diversifying the RDA product suite and reinforces FBL's commitment to long-term value creation through technology-led, future-ready banking solutions.

6. Faysal Priority Banking:

In 2025, Faysal Priority Banking achieved significant progress through amalgamation of potentially innovative products and proposition elements tailored to the evolving needs of customers. The unique value proposition, featuring exclusive differentiators like membership privileges, complimentary tax filing, and specialized health coverage for priority clients, successfully distinguished the offering from industry peers. These initiatives collectively supplemented a strong financial performance, contributing to approximately 55% growth in Current Account averages.

7. Wealth Management:

The Wealth Management made strategic enhancements in its product suits, by introducing Ascend Plan, a Fund of Funds scheme that strategically allocates equity, income, and money market instruments thus providing customers with a diversified and balanced investment solution. In addition, new BancaTakaful products, including EFU Takaful Zenith Plan, EFU Takaful WIN FitCover and Jubilee Takaful Mustamir Plan, were introduced to strengthen the Wealth Proposition.

In 2025, FBL executed a focused, high-impact marketing and communications strategy aimed at strengthening its position as a leading Islamic bank while supporting key business growth priorities. The year's communication remained firmly anchored in reinforcing the Bank's Islamic banking credentials, with flagship visibility across television, radio, outdoor, press and digital platforms. High-impact campaigns during Ramzan and PSL enabled the brand to connect meaningfully with mass audiences, while a structured approach to national and religious occasions ensured relevance and emotional engagement.

The Bank continued to amplify its CSR commitments and inclusive growth agenda. The effectiveness of FBL's integrated, results-driven approach was recognized with the Best Digital Campaign award at the Pakistan Digital Awards 2025.

Global Recognition for Liability Products

Faysal Islami Amal Women Account was awarded the “Best Islamic Savings Account of the Year” at the Global Islamic Finance Awards 2025, in recognition of its outstanding value proposition and its vision to empower women across Pakistan.

Faysal Islami Khushaal Kisaan Account received the “Best Islamic Financial Inclusion Initiative” award at the Global Islamic Finance Awards 2025, for its tailored agri-finance solutions and digital tools designed to support rural growth and strengthen the agricultural sector.

Agriculture Financing

Agriculture Financing was also on increasing trajectory during 2025. The prime focus remained on creating awareness among farming communities with respect to financial inclusion and FBL's banking products. It continued its focused approach towards financing under regulatory subsidized schemes including Prime Minister's Youth Business & Agriculture Loan Scheme (PMYB&ALS), Zarkhez-e Digital Financing and Electronic Warehouse Receipt (EWR) Financing Scheme. FBL launched a new and innovative Islamic Financing Product “Musharakah – SLB” to meet working capital requirements of farmers. Agri Business portfolio grew by 50% while maintaining the credit quality. FBL organized regular financial literacy programs for farmers, facilitating education and account openings. The innovative and exclusive product for farmers Khushaal Kisaan Account proved to be a successful account among rural community and delivered outstanding results.

Commercial Banking and Small & Medium Enterprises (CBSME)

FBL has made substantial strides in CBSME over the past few years. During the year, CBSME maintained its strategic focus on booking reputable and creditworthy commercial customers, resulting in a diversified portfolio across multiple sectors and enhanced geographic penetration of commercial banking services. Through disciplined execution of the Branch Led Model (BLM) and the Hub & Spoke Model, the Bank further strengthened its ability to originate, manage, and grow SME and Commercial relationships in key business corridors across the Country.

Despite prevailing economic conditions, the CBSME portfolio recorded a Year-on-Year growth of 60%, reflecting prudent balance-sheet expansion, selective risk taking, and strong client acquisition. The asset growth was complemented by a sustained emphasis on trade-led relationships, reinforcing FBL's position as a relationship-driven retail and commercial bank with trade finance at its core while maintaining the credit portfolio quality.

SME financing remained a key focus area for the Bank during 2025, with progressive growth achieved through a dedicated SME product suite, value-chain-based financing structures, and active participation in SBP financing schemes. Parallel to this, CBSME placed strong emphasis on non-borrowing business, driving fee-based income and relationship profitability through enhanced routing of trade volumes across SME and Commercial clients. Targeted relationship deepening, improved turnaround times, and increased digitalization enabled the conversion of trade-only customers into primary banking relationships, supporting deposit mobilization through CASA growth, operating balances, and transactional banking. The continued expansion of Supply Chain Finance, program-based and cluster financing, and trade-linked solutions aligned with client cash flows further strengthened FBL's structural penetration in the SME and Commercial segments while maintaining portfolio quality and a stable funding mix.

Corporate and Investment Banking Group (CIBG)

CIBG delivered another stellar year, achieving substantial growth of 29% in its corporate financing book and a 49% increase in total trade volumes. The Group remained committed to responsible lending, maintaining a well-balanced and diversified portfolio aligned with its risk appetite. During the year, CIBG further strengthened its portfolio by building and deepening strategic relationships with leading multinational corporations, FMCGs, and major local conglomerates. Asset quality remained strong, with the infection ratio among the lowest in the industry. By offering customized solutions tailored to the specific needs

of corporate clients, CIBG continued to excel across corporate and investment banking services, transaction banking products, remittance solutions, and specialized offerings for foreign exchange and market risk management.

The remittance business delivered a strong performance during the year, recording a 31% year-on-year growth. FBL demonstrated notable resilience in a competitive market environment, with its market share steadily increasing to 6.1%, up from 4.2% in the previous year. FBL remain committed to investing in cutting edge technology and developing human capital to ensure that overseas Pakistanis and their beneficiaries continue to benefit from best-in-class remittance solutions. This commitment will derive the sustained growth of overall remittance inflows into Pakistan through formal banking channels.

The Transaction Banking segment recorded a strong performance, supported by robust growth in its Employee Banking and Cash Management businesses. The Employee Banking unit expanded its account base by 59% year-on-year, while transaction volumes increased by 41% compared to the previous year. This growth was driven by a focused approach to delivering employee-centric financial solutions, leading to higher engagement and improved operational effectiveness. Meanwhile, the Cash Management unit showed exceptional progress, with collection and payment throughput volumes rising by 85%. Overall, the segment's performance reflects its ability to provide efficient, value-driven solutions that meet the changing needs of corporate clients and contribute positively to the Bank's overall performance.

In 2025, FBL's Investment Banking Group continued to play a leading role in the market, successfully executing a number of syndicated and capital market transactions with FBL's participation amounting to over PKR 90 billion. These mandates covered a broad spectrum of sectors, including renewable energy, telecommunications, oil and gas exploration, and infrastructure. The Group's execution strength and market standing were further validated through multiple prestigious international recognitions, including Renewable Energy Deal of the Year, Utilities Deal of the Year by The Asset Triple A, Pakistan Domestic Green Financing Bank of the Year, Debt Deal of the Year – Pakistan, and Green Deal of the Year – Pakistan by Asian Banking & Finance, Pakistan Deal of the Year by Islamic Finance News; and Best Transaction of the Year by CFA Society Pakistan.

Consumer Banking

Consumer Banking business delivered strong growth during 2025, despite a competitive market environment. The gross Consumer Finance portfolio grew by 46% year-on-year, supported by diversified product performance, disciplined underwriting, and a continued focus on evolving customer needs.

Noor Cards portfolio remained the primary growth driver with over 71,000+ new customers in 2025. Noor card's popularity is further demonstrated by 44% increase in spending, reaching PKR 116 billion, reflecting effective acquisition strategies and deeper customer engagement.

FBL introduced Pakistan's first PayPak & MasterCard co-badged Debit card, enhancing acceptance, affordability, and accessibility for a wider customer base. Simplified product structures, increased use of digital channels, and broader outreach initiatives enabled improved access for salaried individuals, self-employed customers, and underserved segments. These initiatives supported responsible and sustainable growth while maintaining prudent risk standards and full regulatory alignment, reinforcing the Bank's focus on inclusive, needs-based innovation.

Treasury

Treasury delivered a strong performance across all segments in 2025. In the foreign exchange business, volumes and profitability were successfully enhanced by aggressively growing Trade business. The Bank benefited from expanding clientele, strong client relationships and offering competitive pricing. As Pakistan's economy showed signs of improvement and policy rates continued to ease, Treasury strategically positioned GOP Ijara Sukuk portfolio to maximize profit income and capital gains. Meanwhile, the equity trading desk actively capitalized on improving economic and political landscape to drive higher returns while enhancing the coverage on various macroeconomic fundamentals.

Information Technology

In 2025, FBL continued to advance its technology strategy with a clear emphasis on digital transformation, operational resilience, revenue enablement, and regulatory compliance. Key technology initiatives undertaken during the year have strengthened the Bank's infrastructure, enhanced customer experience, and supported sustainable business growth.

The Bank successfully implemented the FBL CRM Avaya 10 solution, further enhancing customer engagement capabilities. In parallel, important upgrades were completed in accordance with regulatory requirements, reinforcing customer onboarding and lifecycle management processes. Digital innovation remained a priority, with the introduction of AI-enabled solutions, including NADRA ID card data translation, LOS Corporate Mobile Application, an AI-based ISSM chatbot, and upgrades to the call center platform, improving service quality and responsiveness.

Significant progress was achieved across the payments and messaging ecosystem, including full compliance with SWIFT ISO 20022 standards, upgrade to SWIFT version 7.8, enhancements to transaction monitoring and expansion of domestic and cross-border payment capabilities such as Raast home remittances and EPRC inward processing.

The Bank also delivered several revenue-generating and customer-centric initiatives, including new partnerships, card offerings, and digital notification enhancements. Operational efficiency was further strengthened through system integrations, automation of software quality assurance, and implementation of Ivanti IT Service Management, improving governance across core IT processes.

Throughout the year, FBL maintained a strong focus on information security and regulatory compliance, including adherence to the SWIFT Customer Security Controls Framework (CSCF) and continued progress toward ISO 27001 and PCI DSS certifications, reinforcing the Bank's commitment to secure and resilient operations.

Digital Banking Group

FBL is now positioned as one of the most innovative Islamic Banks, with smarter financial management through easy-to-use digital solutions. In 2025, the Bank had a significant focus on updating its technology and digital delivery platforms, with a view towards enhancing customer experience, increasing efficiency and transactional security.

The Bank upgraded not only its digital platform for mobile and internet banking but also successfully implemented a new CRM platform, enhancing its capabilities for front-end customer service. As part of its ESG and go-green agenda, the Bank also moved towards in-branch paperless onboarding, increasing operational efficiency and reducing environmental impact.

Faysal Bank's Digital Positioning

During 2025, FBL has embraced a transformative approach in digital banking, positioning itself amongst the industry leads, not only within the Islamic banking but also as a key digital player in the broader industry.

New initiatives included:

- **"Faysal Digital Self-Serve Lobby"**, inaugurated its first-of-it's-kind digital self-serve lobby, aimed at creating an immersive experience for the customers, offering services like instant-card-replacement in less than five minutes, to a self-serve kiosk through which customers can access all their account certificates and statements, including other self-serve kiosks.
- **"Faysal Digibank Mobile App"**, the all new mobile-app launch in Q1 of 2025, has gained immense popularity amongst the Bank's retail audience and offers a seamless experience along with flexibility. The app comprises of a higher level of security protocols, thereby allowing greater end-user leverage, like the ability to self-define transactional limits all the way up to PKR Five Million.
- **"Raast QR Payments"**, is now one of the few Banks in the industry which is compliant and certified with Rast Person to Person (P2P) as well and Person to Merchant (P2M) QR based payments. In a short span of time, the Bank

has scaled its QR outreach to over 20,000 merchants, with bigger plans for this cashless expansion in FY26.

- **“AI-Adoption”**, Faysal Bank has been one of the first Banks in the industry to adopt AI in a front-end customer interface. The Bank’s AI-based chatbot, ‘i-Faysal’ is popular with its customer base, getting over 5,000 hits per day, addressing customer and product queries through AI agents.
- **“Merchant Payment Solutions”**, Faysal Bank is now the fastest growing acquirer in the industry, with a foot-print of over 15,000 terminals, processing over PKR 150 Billion in in FY25, the Bank is now a formidable player in this space despite being the latest entrant.

Human Resource

At FBL, people remained central to building a resilient, ethical, and high-performing organization. In 2025, the Human Resources function continued to play a strategic role in enabling the Bank’s growth agenda by strengthening workforce capability, engagement, and governance, while fostering a values-led and Shariah-aligned culture grounded in Faith & Belief, Care, Integrity, Teamwork, and Innovation.

The Bank’s workforce increased to 10,117 employees as of 31 December 2025, aligned with branch expansion and business growth. Structured career management, succession planning, merit-based performance governance strengthened leadership continuity and talent depth across critical roles. Learning and leadership development remained key enablers of performance, supported by Flagship leadership programs, management development initiatives and a blended learning ecosystem through Faysal eCademy, enhancing technical, digital, regulatory and Islamic banking capabilities.

Diversity, equity, and inclusion continued to be integral to the Bank’s people strategy. Targeted initiatives supported women, persons with disabilities, and returning professionals, contributing to 21.4% workforce gender diversity and 19% Board gender diversity. These efforts received strong external recognition, including multiple GDEIB awards, recognition by International Finance Corporation (IFC) for gender diversity, and accolades for inclusive employment practices.

Employee engagement, wellbeing, and recognition remained priorities through structured engagement initiatives, wellness programs, and digital enablement via HR Connect, reinforcing FBL’s position as an employer of choice and supporting sustainable workforce growth and long-term value creation.

Risk Management Framework

Risk Management Group (RMG), under the leadership of Chief Risk Officer (“CRO”), has been mandated by the Board of Directors (BoD) to implement a robust Risk Management Framework across the Bank. Note 46 of the financial statements provides comprehensive detail regarding this framework, outlining the major risks, uncertainties and corresponding mitigation strategies. Throughout the year, the Bank has regularly reviewed its risk management practices across credit, market, liquidity, and operational risks, alongside capital management, Shariah non-compliance, and information security risks. Moreover, evolving market scenario and shifting risk landscape has been discussed regularly in committee meetings, to ensure a proactive approach to monitor risk-based exposures and to assess the potential impact of any emerging stress variables.

Environmental Stewardship

The Bank views environmental stewardship not merely as a corporate responsibility, but as a strategic imperative for long-term value creation. Our Board Sustainability & Development Committee (BSDC) plays a pivotal role by providing dedicated oversight of the Bank’s ESG agenda. Under its guidance, the Bank has further matured its Green Banking Policy to embed climate-related financial risks in financing decisions. The Policy includes:

- **Extending financing facilities** to the customers based on Environmental & Social Risk Management policy and in alignment with the sectoral risks approved by the BRMC and the BSDC.
- **Guidelines** on adopting environment friendly policies and practices across the Bank’s operations.

- **Raising awareness** among the customers about importance of adopting sustainable and environmentally responsible practices.

Environmental and Social Consciousness

Cultivating a culture of sustainability remains a priority. ESG criteria are now embedded into design and launch protocols for all new product offerings. Furthermore, a training module that explains the concepts of green banking, key pillars of Faysal Bank's green banking policy, and imparts awareness on the environmental & social issues has been included in the orientation pack for new employees to help instill environmental & social consciousness. Moreover, targeted capacity-building sessions were also conducted for Senior Management as well as Business and Risk teams to ensure better understanding of the evolving ESG landscape. To sustain this momentum into 2026, the Bank remains actively engaged with strategic capacity-building partners, to ensure that our teams stay abreast of international best practices and emerging sustainability standards.

Regulatory and Strategic Alignment

Looking forward, the Board is committed to steering the Bank through the next phase of Pakistan's sustainable finance transition in line with the latest Nationally Determined Contributions submitted by the Government of Pakistan under the Paris Agreement. Our roadmap for 2026 includes the gradual integration of the Pakistan Green Taxonomy into our credit assessments and the implementation of formal Climate Stress Testing in line with the regulatory guidelines. These initiatives will be executed in strict alignment with the State Bank of Pakistan's Regulatory Framework for Effective Management of Climate-Related Financial Risks, to ensure that the Bank remains a resilient and leading voice in the nation's green economy.

Paperless Operations

FBL is proactively strengthening its Green Banking initiatives by broadening its digital banking offerings, scaling up its paperless account opening program, promoting e-statement adoption, expanding WhatsApp Banking functionalities, and deploying self-service digital screens. The Bank remains firmly committed to advancing paperless banking practices through comprehensive training of branch staff, customer service representatives, and other personnel, equipping them to effectively guide and encourage customers to transition to digital, paperless channels.

Energy Conservation – in Operations & Maintenance

FBL continued to prioritize energy conservation as a key component of its sustainability strategy, with an aim to minimize the environmental impact of its operations. The Bank's energy conservation efforts remained focused on reducing energy consumption across its infrastructure, improving operational sustainability, and optimizing the use of resources in its branches and key buildings. To achieve this objective, the Bank adopted energy-efficient technologies and systems, including the transition to energy-saving lighting, motion sensors, efficient HVAC systems with cooling controls, and the integration of renewable energy solutions such as solar power.

Corporate Social Responsibility (“CSR”) – Impacting Lives Positively

FBL's corporate social responsibility program focuses on zero hunger, reducing inequalities, and advancing education, health and well-being, gender equality as well as advocating climate action as its core priorities. Waqf Faisal is a recognized non-profit organization (NPO), and FBL provides consistent donations to support its CSR objectives. Through Waqf Faisal, the Bank extends support to reputable non-profit organizations working in the areas of education, social welfare, healthcare, and community development. In 2025, the Bank contributed PKR 139 million towards CSR initiatives and remains committed to creating a positive and sustainable impact on society while upholding responsible business practices.

Awards for Excellence – Recognitions that inspire

FBL has received several prestigious recognitions during the year. These recognitions and awards are a testament to the strategic brilliance of our Board of Directors, Senior Management and the hard work and perseverance of our employees. This demonstrates that FBL is headed in the right direction toward realizing the goal of becoming Pakistan's premium Islamic bank. Some of these awards are listed below:

- **“Employer of Choice”** at the Gender Diversity Awards 2025 hosted by Internal Finance Corporation (IFC) and the Pakistan Business Council
- **“Best Mid-Sized”** Bank at the prestigious Pakistan Banking Awards
- **“Best Islamic Retail Bank”** (Mid-Sized) at the 11th Islamic Retail Banking Awards
- SBP PRI award **“5th Largest Bank in Pakistan”** for remittances at Pakistan Remittance Summit – 2025
- **“Most Innovative Bank in Pakistan”** at Islamic Finance Network (IFN) awards
- 14 Global Diversity, Equity & Inclusion Benchmark Awards 2025
- Leading Award **“Best Partner Bank”** by State Bank of Pakistan (SBP) – Financial Inclusion Support Department
- **“Market Leader in Affluent Cards”** and **“Top issuer of Credit Cards in Pakistan”** by MasterCard
- **“The Fastest Growing Acquiring Bank”** in Pakistan 2025 by UnionPay International
- Momentum Award – Issuing Bank **“11th Trade and Supply Chain Awards 2025”** by Asian Development Bank (ADB).
- **“Best Digital Marketing Campaign of the Year”** (Roshan Digital Account) at Pakistan Digital Awards 2025.

Dividend

The Board of Directors, in the meeting held on February 19, 2026, has recommended a final cash dividend of Rs 2 per share (20%) for the year ended December 31, 2025. This is in addition to Rs 4.5/- already paid during the year bringing the total dividend for the year to Rs 6.5 per share (2024: Rs 7.0/-).

Positioned for a Resilient future: Navigating Challenges with Confidence

Looking ahead, we are cognizant of the intense competition and spreads compression due to decline in the policy rate. Despite these emerging challenges, we are confident that, through FBL's prudent financial management and strategic foresight, the Bank will, Insha'Allah, continue to navigate the evolving environment effectively and sustain its growth trajectory.

As part of our strategic vision, we are committed to expanding our branch network to strengthen deposit mobilization and improve customer reach. Simultaneously, we are focusing on improving customer experience through streamlining processes and investing in digital solutions that will elevate our digital offerings and enrich overall customer experience.

In line with our focus on long-term sustainability, we will continue to invest in our workforce, fostering an environment that upholds our core values of Faith, Integrity, Teamwork, Innovation, and Care. Our sustainability agenda also includes minimizing our environmental impact and making meaningful contributions to the communities we serve. By prioritizing these principles, we aim to strengthen our position in the market and serve the evolving needs of our customers.

Corporate Governance

The Bank is fully compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (hereinafter called ‘the Code’). As per the requirement of Regulation 36 of the Code, a Statement of Compliance with the Code, along with the auditor’s review report thereon, forms part of this Annual Report.

Change in Directors

Mr. Mohamed Ahmed Bucheerei was appointed as a Non-Executive Director on May 02, 2025, and he was co-opted on the casual vacancy created by the resignation of Mr. Abdulla Abdulaziz Ali Taleb.

The Board of Directors

The Bank’s Board comprises of a mix of individuals representing shareholding institutions, independent directors and President & CEO of the Bank. All the directors of the Board meet the eligibility criteria laid down under the Companies Act, 2017, the Code, and the Corporate Governance Regulatory Framework, 2021, issued by the State Bank of Pakistan. Directors are elected for a period of three years, upon expiry of which elections are held to appoint a new Board in accordance with the law. Any causal vacancy is filled in as per a well-defined procedure approved by the Board in accordance with the applicable Law.

The total number of Directors are eleven as per the following details:

Gender	Number
Male	9
Female	2

The Board of Directors comprises of the following Members:

Category	Name
Independent Directors	Mr. Ali Munir
	Ms. Fatima Asad Khan
	Mr. Mohsin Tariq
	Ms. Sadia Khan
Non-Executive Directors	Mian Muhammad Younis (Chairman)
	Mr. Ahmed Abulrahim Mohamed Abdulla Bucheery (Vice Chairman)
	Mr. Juma Hasan Ali Abul
	Mr. Imtiaz Ahmad Pervez
	Mr. Abdulelah Ebrahim Mohamed AlQasimi
	Mr. Mohamed Ahmed Bucheerei
Executive Director	Mr. Yousaf Hussain (President & CEO)

Committees of the Board:

The details of the Board Committee and the names of their members are given below:

Audit and Corporate Governance Committee

Board Audit and Corporate Governance Committee has four members having extensive financial management experience. The Chairman of the committee is an independent director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mr. Ali Munir	Chairman	Independent Director
2	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member	Non-Executive Director
3	Mr. Juma Hasan Ali Abul	Member	Non-Executive Director
4	Mr. Mohsin Tariq	Member	Independent Director

Risk Management Committee

Board Risk Management Committee is responsible to ensure that all the risks and uncertainties are adequately managed by the Bank. The Committee has four members having rich experience in banking and risk management. The Chairman of the committee is a non-executive director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mr. Imtiaz Ahmad Pervez	Chairman	Non-Executive Director
2	Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member	Non-Executive Director
3	Mr. Ali Munir	Member	Independent Director
4	Mr. Mohamed Ahmed Bucheerei	Member	Non-Executive Director
5	Mr. Yousaf Hussain	Member	Executive Director

Recruitment, Nomination and Remuneration Committee

Board's Recruitment, Nomination and Remuneration Committee reviews the human resource structure of the Bank and ensures that the human resource strategy is aligned with overall strategy of the Bank. The committee comprises five members who have diversified experience. The Chairman of the Committee is a Non-Executive Director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mr. Ahmed Abulrahim Mohamed Abdulla Bucheery	Chairman	Non-Executive Director
2	Mr. Juma Hasan Ali Abul	Member	Non-Executive Director
3	Mr. Mohsin Tariq	Member	Independent Director
4	Ms. Fatima Asad Khan	Member	Independent Director
5	Ms. Sadia Khan	Member	Independent Director

Strategy Committee

The Board's Strategy Committee helps the Board and the management in setting up the strategic direction of the Bank and monitors the implementation of the Board's approved strategies. The Committee comprises of six members and is chaired by a Non-Executive Director who is also the Chairman of the Board. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Mian Muhammad Younis	Chairman	Non-Executive Director
2	Mr. Ahmed Abulrahim Mohamed Abdulla Bucheery	Member	Non-Executive Director
3	Mr. Juma Hasan Ali Abul	Member	Non-Executive Director
4	Ms. Fatima Asad Khan	Member	Independent Director
5	Mr. Imtiaz Ahmad Pervez	Member	Non-Executive Director
6	Mr. Yousaf Hussain	Member	Executive Director

IT Committee

The Board's IT Committee is responsible to ensure that the Bank has a reliable, efficient, and secure IT infrastructure to service its customers and efficiently carry out its operations. The Committee has four members, and its chairman is an independent director. The Committee comprises of the following Board members:

S. No.	Name	Status	Category
1	Ms. Sadia Khan	Chairperson	Independent Director
2	Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member	Non-Executive Director
3	Mr. Mohamed Ahmed Bucheerei	Member	Non-Executive Director
4	Mr. Yousaf Hussain	Member	Executive Director

Board Sustainability & Development Committee

The Board Sustainability & Development Committee (BSDC) plays a pivotal role in shaping the Bank's sustainability agenda by overseeing the development and implementation of its Environmental, Social, and Governance (ESG) framework. Responsibilities of the Committee include defining and reviewing the Bank's sustainability strategy, ensuring alignment with the United Nations Sustainable Development Goals (SDGs), and steering the development of ESG metrics for the Bank. The Committee also provides strategic oversight for key initiatives such as reducing the Bank's environmental impact, promoting diversity and inclusion, advancing Corporate Social Responsibility (CSR) programmes, and supporting climate action through innovative financial products and partnerships. It also ensures stakeholder engagement, compliance with regulatory guidelines, and integration of ESG considerations into decision-making processes.

The BSDC comprises of five members, including two Independent Directors who bring diverse expertise and perspectives. The Chairperson is a Non-Executive Director, highlighting the Bank's commitment to robust governance and sustainable growth.

S. No.	Name	Status	Category
1	Mian Muhammad Younis	Chairman	Non-Executive Director
2	Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member	Non-Executive Director
3	Ms. Fatima Asad Khan	Member	Independent Director
4	Ms. Sadia Khan	Member	Independent Director
5	Mr. Yousaf Hussain	Member	Executive Director

Meetings of the Board

The record of the Board meetings held during the year and attended by the Directors is included separately in this Annual Report.

Shariah Board

The details relating to Shariah Board held during the year and attended by its members is included separately in this Annual Report.

Performance Evaluation of Board of Directors

In line with the best practices of the corporate governance, FBL's Board, since 2012 has conducted self-evaluation exercise on an annual basis by engaging Pakistan Institute of Corporate Governance (PICG), as an external facilitator. PICG is the lead on Corporate Governance and has a team of consultants to conduct board evaluations for companies and banks. SBP's Guidelines on Performance Evaluation of Board of Directors were implemented in August 2016 and subsequently, FBL's Board in compliance thereof conducts its self-evaluation every year by engaging PICG. The evaluation covers various aspects of the performance of the Board including but not limited to: Board's role, Committees' performance, Training, Strategy, Risk Management, and Board Meetings. The evaluation covered:

- The Board as a whole
- Individual Directors (Independent, Non-Executive and CEO)
- Board Committees

The Bank has a policy in place for dealing with conflicts of interest relating to members of the Board. Under this policy, any director who has a business interest in a matter being presented at a Board meeting does not participate in either the discussion or the decision on that matter. This policy is applied consistently and there was no breach of this policy during the year.

Remuneration Policy

Disclosures relating to Remuneration Policy as required under BPRD Circular 1 of 2017 dated January 25, 2017, are included separately in the Annual Report.

Statement of Internal Control

The Board of Directors fully recognizes its responsibility to ensure that a system of sound internal controls is established, fully implemented and maintained at all levels within the Bank. The Board is pleased to endorse the statement made by the management relating to internal controls over financial reporting along with overall internal controls. The system of internal controls is sound in design and has been effectively implemented and monitored. The management's statement on internal controls is included in the Annual Report.

Pattern of Shareholding

The pattern of shareholding and categories of shareholders of the Bank as of December 31, 2025 is separately presented in the Annual Report.

Related Party Transactions

The related party transactions are shown in note 44 of the financial statements.

Credit Rating:

VIS Credit Rating Company Limited (VIS) has upgraded the entity's rating, while Pakistan Credit Rating Agency Limited (PACRA) have re-affirmed the rating as follows:

	VIS	PACRA
Long Term	AA+	AA
Short Term	A1+	A1+

VIS has assigned a 'Stable' outlook, while PACRA has upgraded the outlook to 'Positive'.

Auditors

The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants, will retire on the date of the Annual General Meeting and are eligible for re-appointment. The Board's Audit and Corporate Governance Committee in its meeting held on February 17, 2026 has recommended re-appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as the auditor of the Bank for the year 2026. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the re-appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as the auditors of the Bank for the financial year 2026.

Subsequent Events

No material changes or commitments affecting the financial position of the Bank have occurred between the end of the financial year of the Bank and the date of this report, other than disclosed in the financial statements.

Heartfelt Thanks: Acknowledging Our Pillars of Strength

On behalf of the Board and the Management, we extend gratitude to our esteemed shareholders for their unwavering support. We are indebted to our customers for their continuous confidence and trust. We also would like to place on record our appreciation for the Government of Pakistan, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued support and guidance, for developing and strengthening the banking and financial services sector through continuous improvement in the regulatory and governance framework.

As always, we would also like to express sincere appreciation for the Shariah Board. We wish to express our heartfelt appreciation to every member of our dedicated team for their tireless efforts and unwavering commitment to enhance the growth of FBL. Above all, we humbly express our profound gratitude to Allah Almighty for His continued blessings and guidance upon our Bank and all its members.

Approval

In compliance with the requirement of the Companies Act, 2017, this Directors' Report, with the recommendations of the Board Audit and Corporate Governance Committee, has been approved by the Directors in their meeting held on February 19, 2026 and signed by the Chief Executive Officer and Chairman.



President & CEO



Chairman

Karachi:

Dated: February 19, 2026

منظوری

کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق، بورڈ کی آڈٹ اور کارپوریٹ گورننس کمیٹی کی سفارش کے ساتھ ڈائریکٹرز کی اس رپورٹ کو ڈائریکٹرز نے 19 فروری 2026 کو ہونیوالے اپنے اجلاس میں منظور کیا اور اس پر چیف ایگزیکٹو آفیسر اور ڈائریکٹرز نے دستخط ثبت کئے ہیں۔



چیئرمین



صدر اور سی ای او

کراچی

کراچی تاریخ: 19 فروری 2026

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) اور پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے درج ذیل درجہ بندی کی دوبارہ تصدیق کی ہے:

VIS	PACRA	
AA+	AA	طویل مدتی
A1+	A1+	قلیل مدتی

VIS نے درجہ بندیوں کو 'مستحکم' قرار دیا جبکہ PACRA نے 'مثبت' آؤٹ لک کے ساتھ اپ گریڈ کیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز، KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سالانہ اجلاس عام کی تاریخ کو ریٹائر ہو جائیں گے اور دوبارہ تقرری کے اہل ہیں۔ بورڈ کی آڈٹ اور کارپوریٹ گورننس کمیٹی نے 17 فروری 2026 کو ہونے والے اپنے اجلاس میں KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو سال 2026 کے لیے بینک کے آڈیٹر کے طور پر دوبارہ تقرری کی سفارش کی ہے۔ اسی طرح بورڈ آف ڈائریکٹرز نے آڈٹ اور کارپوریٹ گورننس کمیٹی کی سفارش پر KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو سال 2026 کے لیے بینک کے آڈیٹر کے طور پر دوبارہ تقرری کی توثیق کی ہے۔

بعد ازاں رونما ہونے والے واقعات

بینک کے مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان، مالی بیانات میں انکشاف کے علاوہ، بینک کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں۔

ہماری طاقت کے ستونوں کے لیے دلی اظہارِ تشکر

بورڈ اور انتظامیہ کی جانب سے، ہم اس موقع پر شیئر ہولڈرز کا شکریہ ادا کرتے ہیں کہ انہوں نے ہم پر غیر متزلزل اعتماد کیا ہے۔ ہم اپنے صارفین کے تہہ دل سے مشکور ہیں، جنہوں نے اپنے کاروبار اور پختہ یقین کے ساتھ ہم پر اعتماد کو مسلسل جاری رکھا۔ ہم ریگولیٹری اور گورننس فریم ورک میں مسلسل بہتری کے ذریعے بینکنگ اور فنانشل سروسز سیکٹر کے فروغ کے لیے ان کے مسلسل تعاون اور رہنمائی پر اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے بھی شکر گزار ہیں۔

ہمیشہ کی طرح، ہم یہاں شریعہ بورڈ کے لیے بھی اپنی مخلصانہ تعریف کا اظہار کرنا چاہتے ہیں۔ ہم اپنی سرشار ٹیم کے ہر ممبر کا ان کی انتھک محنت اور FBL کی ترقی کو بڑھانے کے لیے غیر متزلزل عزم پر تہہ دل سے شکریہ ادا کرتے ہیں۔ سب سے بڑھ کر، ہم اپنے بینک اور اس کے تمام ملازمین پر اللہ تعالیٰ کے مسلسل فضل و کرم اور رہنمائی کے لیے بارگاہِ الہی میں دل سے شکر گزار ہیں۔

بورڈ کی مجموعی حالت

انفرادی طور پر ڈائریکٹرز (آزاد، نان ایگزیکٹو اور سی ای او)

بورڈ کی کمیٹیاں

یہ جائزہ کے لیے تعداد کے طریقہ کار پر عمل کیا جاتا ہے، جو کہ مقاصد کی جانچ پڑتال پر مبنی ہوتا ہے، اور اسٹیٹ بینک آف پاکستان کی جانب سے بورڈ آف ڈائریکٹرز کی کارکردگی کے جائزے پر رہنما اصولوں کے مطابق کنسلٹنٹ حضرات ایک سوالنامہ تیار کرتے ہیں۔ تعداد کی تکنیک سے خاص مقصد اور کارکردگی کے وزن کا اندازہ کیا جاسکتا ہے۔ فیصل بینک کے بورڈ کا جائزہ لیتے ہوئے پیمانے کے لیے ایک اسکیل استعمال کیا جاتا ہے، بورڈ کے ارکان کو اس اسکیل پر دیئے گئے بیان کے سامنے 1 سے 10 تک نمبر دے کر ان کی کارکردگی کا اندازہ لگایا جاتا ہے۔ اس طریقہ کار کے استعمال سے خاص مقصد اور قابل پیمائش ڈیٹا مل جاتا ہے جو کہ بعد میں ایک مثال بن جاتی ہے۔

بینک کے بورڈ ممبران سے متعلق مفادات کے تصادم سے نمٹنے کے لیے ایک باقاعدہ پالیسی نافذ ہے۔ اس پالیسی کے تحت اگر کسی ڈائریکٹر کا بورڈ کے اجلاس میں پیش کیے جانے والے کسی معاملے میں کاروباری مفاد موجود ہو تو وہ نہ اس معاملے کی بحث میں حصہ لیتا ہے اور نہ ہی اس کے فیصلے میں شریک ہوتا ہے۔ اس پالیسی پر مستقل طور پر عمل درآ مد کیا جاتا ہے، سال کے دوران اس پالیسی کی کسی خلاف ورزی کی اطلاع نہیں ملی۔

معاوضہ کی پالیسی

25 جنوری، 2017 کو BPRD سرکلر 1 کے تحت معاوضے کی پالیسی کی تفصیلات اس سالانہ رپورٹ کے ساتھ الگ منسلک ہے۔

انٹرنل کنٹرول کا اسٹیٹمنٹ

بورڈ آف ڈائریکٹرز مکمل طور پر اپنی ذمہ داری کا احساس رکھتے ہیں کہ یقینی بنایا جائے کہ انٹرنل کنٹرولز کا نظام موثر ہے جس پر بینک کے اندر ہر سطح پر عمل درآ مد ہوتا ہے اور اسے بحال رکھا جاتا ہے۔ بورڈ مالیاتی رپورٹنگ پر اندرونی کنٹرولز اور مجموعی طور پر تمام داخلی کنٹرولز کے حوالے سے انتظامیہ کے بیان کی توثیق کرتے ہوئے خوشی محسوس کرتا ہے۔ انٹرنل کنٹرول کا نظام تشکیل کے اعتبار سے بہتر ہے اور اس پر مؤثر طریقے سے عمل کی نگرانی کی جاتی ہے۔ انٹرنل کنٹرول سے متعلق اسٹیٹمنٹ اس سالانہ رپورٹ میں شامل ہے۔

شیر ہولڈنگ کا پیٹرن

اس سالانہ رپورٹ میں 31 دسمبر 2025 تک بینک کے شیر ہولڈرز کے زمرہ جات اور شیر ہولڈنگ کے پیٹرن کو الگ سے پیش کیا گیا ہے۔

متعلقہ پارٹی ٹرانزیکشنز

متعلقہ پارٹی کے لین دین کو مالیاتی نتائج کے نوٹ 44 میں دکھایا گیا ہے۔

بورڈ سسٹین ایبلٹی اینڈ ڈیولپمنٹ کمیٹی

BSDC، بینک کے ماحولیاتی، سماجی اور گورننس (ESG) فریم ورک کی تشکیل اور اس کے نفاذ کی نگرانی کے ذریعے بینک کے پائیداری ایجنڈے کی سمت متعین کرنے میں کلیدی کردار ادا کرتی ہے۔ کمیٹی کی ذمہ داریوں میں بینک کی پائیداری حکمت عملی کی وضاحت اور جائزہ لینا، اسے اقوام متحدہ کے پائیدار ترقیاتی اہداف (SDGs) سے ہم آہنگ بنانا، اور بینک کے لیے (ESG) ترجیحات کی رہنمائی کرنا شامل ہے۔ کمیٹی اہم اقدامات پر اسٹریٹجک نگرانی بھی فراہم کرتی ہے، جن میں بینک کے ماحولیاتی اثرات میں کمی، تنوع اور شمولیت کا فروغ، کارپوریٹ سماجی ذمہ داری کے پروگراموں کو آگے بڑھانا، اور جدید مالیاتی پروڈکٹس اور پارٹنرشپس کے ذریعے ماحولیاتی تبدیلی کے اثرات پر قابو پانے کے اقدامات کی حمایت شامل ہیں۔ مزید برآں، یہ اسٹیک ہولڈرز کی شمولیت، ریگولیٹری ہدایات کی تعمیل اور فیصلہ سازی کے عمل میں ESG عوامل کے انضمام کو بھی یقینی بناتی ہے۔

کمیٹی پانچ ممبران پر مشتمل ہے، جن میں دو آزاد ڈائریکٹرز شامل ہیں جو وسیع نقطہ نظر رکھتے ہیں۔ کمیٹی کے چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہیں جو جامعیت اور پائیدار ترقی کے لیے بینک کے عزم کی عکاسی کرتے ہیں۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسماء گرامی	عہدہ	کمیٹری
1	میاں محمد پونس	چیئرمین	نان ایگزیکٹو ڈائریکٹر
2	جناب عبداللہ ابراہیم محمد القاسمی	رکن	نان ایگزیکٹو ڈائریکٹر
3	محترمہ فاطمہ اسد خان	رکن	آزاد ڈائریکٹر
4	محترمہ سعدیہ خان	رکن	آزاد ڈائریکٹر
5	جناب یوسف حسین	رکن	ایگزیکٹو ڈائریکٹر

بورڈ کے اجلاس

سال کے دوران منعقد ہونے والی بورڈ میٹنگز اور ڈائریکٹرز کی شرکت کا ریکارڈ اس سالانہ رپورٹ میں الگ سے شامل کیا گیا ہے۔

شرعیہ بورڈ

اس سالانہ رپورٹ میں شرعیہ بورڈ سے متعلق تفصیلات اور سال کے دوران منعقد اجلاس اور اس کے ممبران کی شرکت کی تفصیل الگ سے دی گئی ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ

کارپوریٹ گورننس کے بہترین طریقوں کے مطابق، FBL کے بورڈ نے 2012 سے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کو ایک بیرونی سہولت کار کے طور پر شامل کر کے سالانہ بنیادوں پر خود تشخیصی مشق کا انعقاد کیا ہے۔ PICG کارپوریٹ گورننس میں سرفہرست ہے اور اس کے پاس کونسلٹنٹس کی ایک ٹیم ہے جو کمپنیوں اور بینکوں کے لیے بورڈ کی تشخیص کرتی ہے۔ بورڈ آف ڈائریکٹرز کی کارکردگی کی تشخیص سے متعلق SBP کے رہنما اصول اگست 2016 میں نافذ کیے گئے تھے اور اس کے بعد، FBL کا بورڈ اس کی تعمیل میں PICG کو شامل کر کے ہر سال اپنی خود تشخیص کرتا ہے۔ جائزے میں بورڈ کی کارکردگی کے مختلف پہلوؤں کا احاطہ کیا جاتا ہے اس میں بورڈ کا کردار، کمیٹیوں کی کارکردگی، تربیت، حکمت عملی، رسک مینجمنٹ اور بورڈ اجلاس شامل ہیں۔ جائزے میں درج ذیل کا احاطہ کیا گیا:

ریکروٹمنٹ، نائینیشن اینڈ ریمونریشن کمیٹی

بورڈ کی ریکروٹمنٹ، نائینیشن اینڈ ریمونریشن کمیٹی بینک کے ہیومن ریسورسز کے نظام کا جائزہ لیتی ہے تاکہ اس بات کو یقینی بنایا جائے کہ انسانی وسائل کی حکمت عملی بینک کی ترجیحات کے مطابق ہے۔ کمیٹی میں پانچ ممبران شامل ہیں جو وسیع تجربہ رکھتے ہیں۔ کمیٹی کا چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسماء گرامی	عہدہ	کیٹیگری
1.	جناب احمد ابوالرحیم محمد عبداللہ بچیری	چیئرمین	نان ایگزیکٹو ڈائریکٹر
2	جناب جمعہ حسن علی ابول	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب محسن طارق	رکن	آزاد ڈائریکٹر
4	محترمہ فاطمہ اسد خان	رکن	آزاد ڈائریکٹر
5	محترمہ سعدیہ خان	رکن	آزاد ڈائریکٹر

اسٹریٹجی کمیٹی

بورڈ کی حکمت عملی کمیٹی بینک کی اسٹریٹجک سمت کو ترتیب دینے میں بورڈ اور انتظامیہ کی مدد کرتی ہے اور بورڈ کی منظور شدہ حکمت عملیوں کے نفاذ کی نگرانی کرتی ہے۔ کمیٹی چھ ارکان پر مشتمل ہے اور اس کی صدارت ایک نان ایگزیکٹو ڈائریکٹر کرتا ہے جو بورڈ کا چیئرمین بھی ہوتا ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسماء گرامی	عہدہ	کیٹیگری
1	میاں محمد یونس	چیئرمین	نان ایگزیکٹو ڈائریکٹر
2	جناب احمد ابوالرحیم محمد عبداللہ بچیری	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب جمعہ حسن علی ابول	رکن	نان ایگزیکٹو ڈائریکٹر
4	محترمہ فاطمہ اسد خان	رکن	آزاد ڈائریکٹر
5	جناب امتیاز احمد پرویز	رکن	نان ایگزیکٹو ڈائریکٹر
6	جناب یوسف حسین	رکن	ایگزیکٹو ڈائریکٹر

آئی ٹی کمیٹی

بورڈ کی آئی ٹی کمیٹی اس بات کو یقینی بنانے کے لیے ذمہ دار ہے کہ بینک کے پاس اپنے صارفین کی خدمت اور موثر طریقے سے کام کرنے کے لیے ایک قابل اعتماد، موثر اور محفوظ IT انفراسٹرکچر موجود ہے۔ کمیٹی کے ۱۲ ارکان ہیں اور اس کا چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسماء گرامی	عہدہ	کیٹیگری
1	محترمہ سعدیہ خان	چیئرمین	آزاد ڈائریکٹر
2	جناب عبداللہ ابراہیم محمد القاسمی	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب محمد احمد بچیری	رکن	نان ایگزیکٹو ڈائریکٹر
4	جناب یوسف حسین	رکن	ایگزیکٹو ڈائریکٹر

بورڈ کی کمیٹیاں:

بورڈ کمیٹیوں کی تفصیلات اور ان کے ممبران کے نام درج ذیل ہیں:

آڈٹ اور کارپوریٹ گورننس کمیٹی

بورڈ آڈٹ اور کارپوریٹ گورننس کمیٹی کے چار ممبران ہیں جن کے پاس مالیاتی انتظام کا وسیع تجربہ ہے۔ کمیٹی کا چیئر مین ایک آزاد ڈائریکٹر ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسماء گرامی	عہدہ	کیٹیگری
1	جناب علی منیر	چیئر مین	آزاد ڈائریکٹر
2	جناب احمد عبدالرحیم محمد عبداللہ بچیری	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب جمعہ حسن علی ابول	رکن	نان ایگزیکٹو ڈائریکٹر
4	جناب محسن طارق	رکن	آزاد ڈائریکٹر

رِسک مینجمنٹ کمیٹی

بورڈ رِسک مینجمنٹ کمیٹی اس بات کو یقینی بنانے کی ذمہ دار ہے کہ بینک کو لاحق تمام خطرات اور غیر یقینی صورتحال کا مناسب انتظام کیا جائے۔ کمیٹی کے 5 ممبران ہیں جن کے پاس بینکنگ اور رِسک مینجمنٹ کا وسیع تجربہ ہے۔ کمیٹی کا چیئر مین ایک نان ایگزیکٹو ڈائریکٹر ہے۔ کمیٹی مندرجہ ذیل بورڈ ممبران پر مشتمل ہے:

شمار نمبر	اسماء گرامی	عہدہ	کیٹیگری
1	جناب امتیاز احمد پرویز	چیئر مین	نان ایگزیکٹو ڈائریکٹر
2	جناب عبداللہ ابراہیم محمد القاسمی	رکن	نان ایگزیکٹو ڈائریکٹر
3	جناب علی منیر	رکن	آزاد ڈائریکٹر
4	جناب محمد احمد بچیری	رکن	نان ایگزیکٹو ڈائریکٹر
5	جناب یوسف حسین	رکن	ایگزیکٹو ڈائریکٹر

تعمیل کا بیان، آڈیٹر کی جائزہ رپورٹ کے ساتھ اس سالانہ رپورٹ کا حصہ بنتا ہے۔

ڈائریکٹرز میں تبدیلی

جناب محمد احمد بچیری کو 2 مئی 2025 کو بطور نان ایگزیکٹو ڈائریکٹر مقرر کیا گیا اور انہیں جناب عبداللہ عبدالعزیز علی طالب کے استعفیٰ سے پیدا ہونے والی خالی اسامی پر شامل کیا گیا۔

بورڈ آف ڈائریکٹرز

بینک کا بورڈ شیئر ہولڈنگ اداروں کی نمائندگی کرنے والے افراد، آزاد ڈائریکٹرز اور بینک کے صدر اور سی ای او پر مشتمل ہے۔ بورڈ کے تمام ڈائریکٹرز کمپنیز ایکٹ، 2017، کوڈ اور، اسٹیٹ بینک آف پاکستان کے جاری کردہ کارپوریٹ گورننس ریگولیٹری فریم ورک، 2021 کے مقرر کردہ اہلیت کے معیار پر پورا اترتے ہیں۔ ڈائریکٹرز کا انتخاب تین سال کی مدت کے لیے کیا جاتا ہے، جس کی میعاد ختم ہونے پر قانون کے مطابق نئے بورڈ کی تقرری کے لیے انتخابات ہوتے ہیں۔ نافذ قانون کے مطابق بورڈ کی طرف سے منظور شدہ اور طے شدہ طریقہ کار کے مطابق کسی بھی وجہ سے خالی ہونے والی جگہ کو پُر کیا جاتا ہے۔

درج ذیل تفصیلات کے مطابق ڈائریکٹرز کی کل تعداد 11 ہے:

صنف	تعداد
مرد	09
خواتین	02

بورڈ آف ڈائریکٹرز مندرجہ ذیل ارکان پر مشتمل ہے:

کیٹگری	اسمائے گرامی
آزاد ڈائریکٹرز	جناب علی منیر
	محترمہ فاطمہ اسد خان
	جناب محسن طارق
	محترمہ سعدیہ خان
نان ایگزیکٹو ڈائریکٹرز	میاں محمد پونس (چیئرمین)
	جناب احمد ابوالرحیم محمد عبداللہ بچیری (وائس چیئرمین)
	جناب جمعہ حسن علی ابول
	جناب امتیاز احمد پرویز
	جناب عبداللہ ابراہیم محمد القاسمی
	جناب محمد احمد بچیری
ایگزیکٹو ڈائریکٹر	جناب یوسف حسین (صدر اور سی ای او)

- ”ایمپلائز آف چوائس“ جینڈر ڈائورسٹی ایوارڈز 2025 میں، جس کی میزبانی انٹرنیشنل فنانس کارپوریشن اور پاکستان بزنس کونسل نے کی۔
- ”بیسٹ مڈ سائز بینک“ پاکستان بینکنگ ایوارڈز میں۔
- ”بیسٹ اسلامک ریٹیل بینک“ (مڈ سائز) 11 ویں اسلامک ریٹیل بینکنگ ایوارڈز میں۔
- SBP PRI ایوارڈ“ پاکستان میں ریگولیشن کے لحاظ سے پانچواں بڑا بینک“ پاکستان ریگولیشن سٹ 2025 میں۔
- ”موسٹ انوویٹیو بینک ان پاکستان“ اسلامک فنانس نیٹ ورک ایوارڈز میں۔
- 14 گلوبل ڈائورسٹی، ایکویٹی اور انکلوژن پیف مارک ایوارڈز 2025۔
- اسٹیٹ بینک آف پاکستان۔ فنانشل انکلوژن سپورٹ ڈیپارٹمنٹ کی جانب سے لیڈنگ ایوارڈ ”بیسٹ پارٹنر بینک“۔
- ”Market Leader in Affluent Cards“ اور ”پاکستان میں کریڈٹ کارڈز جاری کرنے والا سب سے بڑا بینک“ ماسٹر کارڈ کی جانب سے۔
- ”The Fastest Growing Acquiring Bank“ یونین پی اے انٹرنیشنل کی جانب سے۔
- مونٹم ایوارڈ۔ ایشیو ونگ بینک ”11 ویں ٹریڈ اینڈ سپلائی چین ایوارڈز 2025“، ایشین ڈیولپمنٹ بینک کی جانب سے۔
- ”بیسٹ ڈیجیٹل مارکیٹنگ کمیون آف دی ایئر“ (روشن ڈیجیٹل اکاؤنٹ) پاکستان ڈیجیٹل ایوارڈز 2025 میں۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 19 فروری 2026 کو منعقدہ اجلاس میں 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے فی شیئر 2 روپے (20%) حتمی نقد ڈیویڈنڈ کی منظوری دی ہے۔ یہ اس کے علاوہ ہے جو سال کے دوران پہلے ہی 4.5 روپے فی شیئر ادا کیے جا چکے ہیں، جس سے سال کا مجموعی ڈیویڈنڈ 6.5 روپے فی شیئر ہو گیا ہے (2024: 7.0 روپے فی شیئر)۔

پائیدار مستقبل کے لیے تیار: اعتماد کے ساتھ چیلنجز پر قابو پانا

مستقبل کے پیش نظر، ہم پالیسی ریٹ میں کمی کے باعث سخت مسابقت اور اسپریڈز میں کمی سے بخوبی آگاہ ہیں۔ ان ابھرتے ہوئے چیلنجز کے باوجود، ہمیں یقین ہے کہ FBL کی محتاط مالیاتی حکمت عملی اور کاروباری بصیرت کے ذریعے بینک، ان شاء اللہ، بدلتے ہوئے ماحول میں مؤثر انداز سے پیش قدمی جاری رکھے گا اور اپنی ترقی کی رفتار برقرار رکھے گا۔

اپنے کاروباری وژن کے تحت، ہم ڈپازٹس کے فروغ اور صارفین تک رسائی بہتر بنانے کے لیے اپنی رائج نیٹ ورک کو وسعت دینے کے لیے پُر عزم ہیں۔ ساتھ ہی، ہم صارفین کے تجربے کو بہتر بنانے کے طریقہ کار کو مؤثر بنارہے ہیں اور ڈیجیٹل سروسز میں سرمایہ کاری کر رہے ہیں، جو ہماری ڈیجیٹل سروسز کو مزید بلند سطح پر لے جائیں گے اور کسٹمر کے مجموعی تجربے کو بہتر بنائیں گے۔

طویل مدتی پائیداری پر اپنی توجہ کے مطابق، ہم اپنی افرادی قوت میں سرمایہ کاری جاری رکھیں گے اور ایسے ماحول کو فروغ دیں گے جو ہماری بنیادی اقدار یعنی ایمانداری، دیانت، ٹیم ورک، جدت اور دیکھ بھال کو برقرار رکھے۔ ہماری پائیداری کی حکمت عملی میں ماحولیاتی اثرات کو کم سے کم کرنا اور جن کمیونٹیز کی ہم خدمت کرتے ہیں ان میں با معنی کردار ادا کرنا بھی شامل ہے۔ ان اصولوں کو ترجیح دے کر ہم مارکیٹ میں اپنی پوزیشن مضبوط بنانے اور اپنے صارفین کی بدلتی ضروریات کو بہتر طور پر پورا کرنے کا ارادہ رکھتے ہیں۔

کارپوریٹ گورننس

بینک لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (جسے بعد ازاں کہا جائے گا ”کوڈ“) کے تقاضوں کی مکمل تعمیل کرتا ہے۔ کوڈ کے ریگولیشن 36 کے مطابق، کوڈ کی

ریگولیٹری اور اسٹریٹجک ہم آہنگی

مستقبل کے پیش نظر، بورڈ پاکستان کی سسٹم اینبل فنانس ٹرانزیشن کے اگلے مرحلے میں بینک کی رہنمائی کے لیے پُر عزم ہے، جو پیرس معاہدے کے تحت حکومت پاکستان کی جانب سے جمع کرائی گئی تازہ ترین نیشنل ڈیفرمنڈ کٹری بیوشنز کے مطابق ہوگی۔ سال 2026 کے لیے ہمارے لائحہ عمل میں پاکستان گرین ٹیکسٹائل کو بنڈریج کریڈٹ ایسیسٹ میں ضم کرنا اور ریگولیٹری گائیڈ لائنز کے مطابق باضابطہ کلائمٹ اسٹریٹجی ٹیسٹنگ کا نفاذ شامل ہے۔ یہ اقدامات اسٹیٹ بینک آف پاکستان کے موسمیاتی مالیاتی خطرات کے مؤثر انتظام کے ریگولیٹری فریم ورک کے عین مطابق نافذ کیے جائیں گے تاکہ بینک قومی گرین معیشت میں ایک مضبوط اور نمایاں آواز بنارہے۔

پیپریس آپریشنز

FBL اپنی گرین بینکنگ کاوشوں کو مضبوط بنانے کے لیے ڈیجیٹل بینکنگ سہولیات کو بڑھاتے ہوئے، پیپریس اکاؤنٹ اوپننگ پروگرام کو فروغ دے رہا ہے، ای اسٹیٹمنٹ کے استعمال کی حوصلہ افزائی کر رہا ہے، واٹس ایپ بینکنگ کو بڑھا رہا ہے، اور سیلف سروس ڈیجیٹل اسکرینز متعارف کروا رہا ہے۔ بینک برانچ اسٹاف، کسٹمر سروس نمائندگان اور دیگر عملے کی جامع تربیت کے ذریعے پیپریس بینکنگ طریقوں کے فروغ کے لیے پُر عزم ہے تاکہ وہ صارفین کو ڈیجیٹل اور پیپریس چینلز کی طرف مؤثر طور پر رہنمائی اور ترغیب دے سکیں۔

توانائی کا تحفظ - آپریشنز اور نگہداشت میں

FBL نے اپنی پائیدار حکمت عملی کے اہم جزو کے طور پر توانائی کے تحفظ کو ترجیح دینا جاری رکھا، جس کا مقصد آپریشنز کے ماحولیاتی اثرات کو کم سے کم کرنا ہے۔ بینک کی توانائی بچانے کی کاوشیں اپنے بنیادی ڈھانچے میں توانائی کے استعمال کو کم کرنے، آپریشنل پائیداری کو بہتر بنانے، اور برانچوں اور اہم عمارتوں میں بجلی کے مؤثر استعمال کو یقینی بنانے پر مرکوز ہیں۔ اس مقصد کے حصول کے لیے بینک نے بجلی بچانے والی ٹیکنالوجیز اور سسٹم اپنائے، جن میں بجلی کی بچت والی لائٹنگ کی جانب منتقلی، موشن سینسز، کولنگ کنٹرولز کے ساتھ مؤثر HVAC سسٹم اور قابل تجدید توانائی کے حل مثلاً شمسی توانائی کا انضمام شامل ہے۔

کارپوریٹ سماجی ذمہ داری - (CSR) زندگیوں پر مثبت اثرات

FBL کا کارپوریٹ سماجی ذمہ داری پروگرام اپنی بنیادی ترجیحات کے طور پر بھوک کے خاتمے، عدم مساوات میں کمی اور تعلیم، صحت اور فلاح و بہبود کے فروغ، صنفی مساوات کے قیام کے ساتھ ساتھ ماحولیاتی اقدامات کے فروغ پر مبنی ہے۔ وقف فیصل ایک تسلیم شدہ نان پرافٹ آرگنائزیشن (NPO) ہے، اور FBL اپنے CSR مقاصد کی تکمیل کے لیے اسے باقاعدگی سے عطیات فراہم کرتا ہے۔ وقف فیصل کے ذریعے، بینک - تعلیم، سماجی بہبود، صحت کی دیکھ بھال اور کمیونٹی کی ترقی کے شعبوں میں کام کرنے والی معروف نان پرافٹ آرگنائزیشنز کی معاونت کرتا ہے۔ سال 2025 میں، بینک نے CSR اقدامات کے لیے 139 ملین روپے کا حصہ ڈالا اور معاشرے پر مثبت اور پائیدار اثرات مرتب کرنے کے عزم پر قائم رہنے کے ساتھ ذمہ دارانہ کاروباری طرز عمل کو برقرار رکھے ہوئے ہے۔

امتیازی کارکردگی کے اعزازات - ترغیب دینے والی پہچان

سال کے دوران FBL کو متعدد باوقار اعزازات سے نوازا گیا۔ یہ اعزازات اور انعامات ہمارے بورڈ آف ڈائریکٹرز کی کاروباری بصیرت، سینئر مینجمنٹ کی قیادت اور ہمارے ملازمین کی محنت اور لگن کا منہ بولتا ثبوت ہیں۔ یہ اس امر کی عکاسی کرتا ہے کہ FBL پاکستان کا ممتاز اسلامی بینک بننے کے ہدف کے حصول کی جانب درست سمت میں گامزن ہے۔ ان میں سے چند اعزازات درج ذیل ہیں:

لیڈر شپ پروگرامز، مینجمنٹ ڈویلپمنٹ اقدامات اور فیصل ای اکیڈمی کے ذریعے وسیع تر تربیتی سسٹم کی معاونت حاصل رہی، جس سے ٹیکنیکل، ڈیجیٹل، ریگولیٹری اور اسلامی بینکاری کی صلاحیتوں میں اضافہ ہوا۔

تنوع، مساوات اور شمولیت بینک کی افرادی قوت کی حکمت عملی کا لازمی جزو رہے۔ خواتین، معذور افراد اور دوبارہ پیشہ ورانہ میدان میں آنے والے افراد کے لیے مخصوص اقدامات اٹھائے گئے، نتیجے میں افرادی قوت میں صنفی تنوع 21.4 فیصد اور بورڈ سطح پر 19 فیصد تک پہنچا۔ ان کاوشوں کو عالمی سطح پر بھی پذیرائی ملی، جن میں متعدد GDEIB اعزازات، انٹرنیشنل فنانس کارپوریشن کی جانب سے صنفی تنوع پر حوصلہ افزائی اور روزگار کی فراہمی کے بہتر تجربات پر اعزازات شامل ہیں۔

ملازمین کی وابستگی، فلاح و بہبود اور حوصلہ افزائی کو بھی ترجیح دی گئی، جس کے لیے منظم انکمینٹ اقدامات، فلاحی پروگرامز اور ایچ آر کنیکٹ کے ذریعے ڈیجیٹل سہولت فراہم کی گئی، جس سے فیصل بینک کو ایک بہترین آجر کے طور پر مزید مضبوط مقام ملا اور پائیدار افرادی قوت کی ترقی اور طویل مدتی قدر کی تخلیق کو تقویت حاصل ہوئی۔

رسک مینجمنٹ فریم ورک

رسک مینجمنٹ گروپ (RMG) کو چیف رسک آفیسر ("CRO") کے تحت چلایا جاتا ہے۔ CRO کو بورڈ آف ڈائریکٹرز (BoD) نے پورے بینک میں رسک مینجمنٹ فریم ورک کو نافذ کرنے کا اختیار دیا ہے۔ مالیاتی نتائج کا نوٹ 46 رسک مینجمنٹ فریم ورک کے بارے میں تفصیلات فراہم کرتا ہے اور ان بڑے خطرات اور غیر یقینی صورتحال سے آگاہ کرتا ہے جن کا بینک کو سامنا ہے اور ساتھ ہی ان پر قابو پانے کے طریقوں کی تفصیل بتاتا ہے۔ سال کے دوران مجموعی معاشی صورتحال پر غور کرتے ہوئے، بینک نے باقاعدگی سے کمیٹی کے اجلاس منعقد کئے، کریڈٹ پورٹ فولیو کی نگرانی کے لیے ایک فعال نقطہ نظر کو یقینی بنانے اور کسی بھی ابھرتے ہوئے مسئلے کے ممکنہ اثرات کا جائزہ لے کر اپنے کریڈٹ مینجمنٹ کے طریقوں کا باقاعدگی سے جائزہ لیا ہے۔

ماحولیاتی نگہداشت

بینک ماحولیاتی نگہداشت کو محض کارپوریٹ ذمہ داری نہیں بلکہ طویل مدتی قدر کی تخلیق کے لیے ایک قانونی تقاضا سمجھتا ہے۔ ہمارا بورڈ سسٹین ایبلٹی اینڈ ڈویلپمنٹ کمیٹی (BSDC) بینک کے ESG ایجنڈا کی خصوصی نگرانی کرتے ہوئے کلیدی کردار ادا کرتی ہے۔ اس کی رہنمائی میں، بینک نے اپنی گرین بینکنگ پالیسی کو مزید موثر بنایا ہے تاکہ فنانسنگ کے فیصلوں میں موسمیاتی مالیاتی خطرات کو شامل کیا جاسکے۔ اس پالیسی میں شامل ہیں:

- صارفین کو ماحولیاتی و سماجی رسک مینجمنٹ پالیسی کی بنیاد پر اور BRMC اور BSDC سے منظور شدہ شعبہ جاتی خطرات کے مطابق فنانسنگ سہولیات کی فراہمی۔
- بینک آپریشنز میں ماحول دوست پالیسیوں اور طریقہ کار اپنانے سے متعلق رہنما اصول۔
- صارفین میں پائیدار اور ماحول دوست طرز عمل اپنانے کی اہمیت کے بارے میں آگاہی پیدا کرنا۔

ماحولیاتی اور سماجی شعور

پائیداری کی روایت کو فروغ دینا بدستور ترجیح ہے۔ اب تمام نئی پروڈکٹس کی تیاری اور اجراء کے طریقہ کار میں ESG معیارات کو شامل کر دیا گیا ہے۔ مزید برآں، ایک تربیتی ماڈیول جو گرین بینکنگ کے تصورات، فیصل بینک کی گرین بینکنگ پالیسی کے بنیادی ستونوں اور ماحولیاتی و سماجی مسائل سے متعلق آگاہی فراہم کرتا ہے، نئے ملازمین کے اورینٹیشن پیک میں شامل کیا گیا ہے تاکہ ماحولیاتی و سماجی شعور کو فروغ دیا جاسکے۔ اس کے علاوہ، سینئر مینجمنٹ اور بزنس ورکرس ٹیموں کے لیے بھی متعلقہ صلاحیت پیدا کرنے کے سیشن منعقد کیے گئے تاکہ ابھرتے ہوئے ESG منظر نامے کی بہتر سمجھ بوجھ پیدا ہو۔ اس رفتار کو 2026 تک برقرار رکھنے کے لیے، بینک صلاحیت سازی کے اسٹریٹجک شراکت داروں کے ساتھ موثر انداز میں منسلک ہے تاکہ ہماری ٹیمیں بین الاقوامی بہترین طریقوں اور ابھرتے ہوئے پائیداری معیارات سے باخبر رہیں۔

اینڈکسٹروس کی صلاحیتوں میں اضافہ ہوا۔ اپنے ماحولیاتی، سماجی اور طرزِ حکمرانی اور سبز اقدامات کے ایجنڈا کے تحت بینک نے برانچ کے اندر غیر کاغذی اکاؤنٹ کھولنے کے نظام کی جانب بھی پیش رفت کی، جس سے عملیاتی کارکردگی میں بہتری اور ماحولیاتی اثرات میں کمی واقع ہوئی۔

فیصل بینک ڈیجیٹل پوزیشننگ

2025 کے دوران FBL نے ڈیجیٹل بینکنگ میں ایک انقلابی طرزِ عمل اختیار کیا، جس کے باعث وہ نہ صرف اسلامی بینکاری بلکہ وسیع ترین بینکنگ انڈسٹری میں بھی ایک اہم ڈیجیٹل ادارے کے طور پر ابھر

ا۔ اس عرصے میں درج ذیل متعدد نئے اقدامات متعارف کرائے گئے:

- ”فیصل ڈیجیٹل سیلف سروس لابی“: بینک نے اپنی نوعیت کی پہلی ڈیجیٹل سیلف سروس لابی قائم کی جس کا مقصد صارفین کو ایک جامع اور جدید تجربہ فراہم کرنا تھا، جہاں پانچ منٹ سے بھی کم وقت میں فوری کارڈ تبدیلی جیسی سہولیات اور سیلف سروس کیوسک کے ذریعے اکاؤنٹ سرٹیفکیٹس اور اسٹیٹمنٹ تک رسائی سمیت دیگر سروسز دستیاب ہیں۔
- ”فیصل ڈیجیٹل بینک موبائل ایپ“: 2025 کی پہلی سہ ماہی میں متعارف کرائی گئی نئی موبائل ایپ کو ریٹیل صارفین میں غیر معمولی مقبولیت حاصل ہوئی، جو باسہولت بینکاری تجربہ فراہم کرتی ہے۔ اس ایپ میں اعلیٰ سطح کے سیکورٹی پروٹوکولز شامل کیے گئے ہیں، جن کے ذریعے صارفین خود اپنے لین دین کی حد مقرر کر سکتے ہیں جو پچاس لاکھ روپے تک ہو سکتی ہے۔
- ”راست QR پیمنٹ“: بینک فوری ادائیگی کے نظام کے تحت QR کوڈ ادائیگیوں میں بھی شامل ہو چکا ہے، جو فرد سے فرد (P2P) اور فرد سے تاجر (P2M) بنیادوں پر QR ادائیگیوں کے لیے مکمل طور پر ہم آہنگ اور تصدیق یافتہ ہے۔ مختصر عرصے میں بینک نے بیس ہزار سے زائد تاجروں تک QR سہولت کو توسیع دی ہے، جبکہ آئندہ مالی سال میں کیش لیس ادائیگی کے فروغ کے لیے مزید توسیعی منصوبے زیرِ عمل ہیں۔
- ”AI کا حصول“: AI کو اپنانے کے ضمن میں، فیصل بینک انڈسٹری کے ابتدائی بینکوں میں شامل رہا جس نے فرنٹ اینڈ کسٹرانٹرفیس میں AI کو اپنایا۔ بینک کا AI پر مبنی چیٹ بوٹ ”Faysal“ اپنے صارفین میں مقبول ہے اور روزانہ پانچ ہزار سے زائد بار استعمال کیا جاتا ہے، جہاں یہ مصنوعی ذہانت کے ذریعے صارفین اور پروڈکٹس سے متعلق سوالات کے جوابات فراہم کرتا ہے۔
- ”مرچنٹ پیمنٹ سلوشنز“: فیصل بینک پندرہ ہزار سے زائد ٹرمینلز کے نیٹ ورک کے ساتھ تیزی سے ترقی کرنے والا بینک بن کر ابھر رہا ہے۔ مالی سال 2025 کے دوران 150 ارب روپے سے زائد ادائیگیوں کی پروسیجرنگ کی گئی، جس کے باعث تھوڑے عرصے کے باوجود بینک اس میدان میں ایک مضبوط کھلاڑی کی حیثیت اختیار کر چکا ہے۔

ہیومن ریسورس

فیصل بینک میں ملازمین کو ایک مضبوط، بااخلاق اور اعلیٰ کارکردگی کے حامل ادارے کی تشکیل کا مرکز بنایا گیا۔ 2025 کے دوران انسانی وسائل کے شعبے نے افرادی قوت کی صلاحیت، وابستگی اور گورننس کو مستحکم کرتے ہوئے بینک کی ترقیاتی حکمت عملی میں کلیدی کردار ادا کیا، جبکہ ایمان و یقین، دیکھ بھال، دیانت، ٹیم ورک اور جدت پر مبنی اقدار اور شریعہ سے ہم آہنگ روایت کو فروغ دیا گیا۔

برانچوں کی توسیع اور کاروباری ترقی کے عین مطابق 31 دسمبر 2025 تک بینک کے ملازمین کی تعداد بڑھ کر 10,117 ہو گئی۔ منظم کیریئر مینجمنٹ، جانشینی کی منصوبہ بندی اور میرٹ پر مبنی کارکردگی کے نظام نے قیادت کے تسلسل اور اہم عہدوں پر صلاحیت کے استحکام کو مضبوط کیا۔ سیکھنے اور قیادت کی ترقی کو کارکردگی کا اہم ذریعہ بنایا گیا، جسے فلیگ شپ

ٹریڈری

سال 2025 میں ٹریڈری نے تمام حصوں میں مضبوط کارکردگی کا مظاہرہ کیا۔ فارن ایکسچینج بزنس میں تجارتی سرگرمیاں بڑھنے سے حجم اور منافع دونوں میں مؤثر اضافہ حاصل کیا گیا۔ بینک کو اپنے بڑھتے ہوئے صارفین، مضبوط تعلقات، اور مسابقتی قیمت کی پیشکش سے فائدہ پہنچا۔ پاکستان کی معیشت میں بہتری کے آثار نمایاں ہونے اور پالیسی ریٹ میں مسلسل نرمی کے تناظر میں ٹریڈری نے حکمت عملی کے تحت سرکاری اجارہ سکوک کے پورٹ فولیو کو اس انداز میں ترتیب دیا کہ منافع کی آمدنی اور کپٹل سے منافع کو زیادہ سے زیادہ بڑھایا جاسکے۔ اسی دوران ایکو نئی ٹریڈنگ کے شعبے نے معاشی و سیاسی منظر نامے میں بہتری سے بھرپور فائدہ اٹھاتے ہوئے زائد منافع حاصل کیے اور مختلف میکرو اکنامک اشاریوں پر اپنی نگرانی کو مزید مؤثر بنایا۔

انفارمیشن ٹیکنالوجی

سال 2025 میں FBL نے اپنی ٹیکنالوجی حکمت عملی کو مزید آگے بڑھایا جس میں ڈیجیٹل ٹرانسفارمیشن، آپریشنل مہارت، آمدنی میں معاونت، اور ریگولیٹری تعمیل پر واضح توجہ مرکوز رہی۔ سال کے دوران اٹھائے گئے اہم ٹیکنالوجی اقدامات نے بینک کے بنیادی ڈھانچے کو مضبوط بنایا، کسٹمر کے تجربے کو بہتر کیا اور پائیدار کاروباری ترقی کو سپورٹ کیا۔

بینک نے کامیابی کے ساتھ صارف سے تعلقات کے انتظام کا نفاذ کیا جس سے صارفین سے رابطے کی صلاحیت میں مزید اضافہ ہوا۔ اس کے ساتھ ساتھ ریگولیٹری تقاضوں کے مطابق صارف کی شمولیت کو آسان کرنے اور لائف سائیکل مینجمنٹ پروسیسز کو تقویت ملی۔ ڈیجیٹل جدت پر ترجیح برقرار رہی جس کے تحت مصنوعی ذہانت پر مبنی حل متعارف کرائے گئے جن میں شناختی کارڈ ڈیٹا کا ترجمہ، LOS کارپوریٹ موبائل ایپلی کیشن، مصنوعی ذہانت پر مبنی SSM ایچٹ بوٹ، اور کال سینٹر پلیٹ فارم میں بہتری شامل ہیں، جس سے سروس کوالٹی اور جوابدہی کے نظام میں بہتری آئی۔

ادائیگیوں اور میسجنگ کرنے کے ایکوسسٹم میں بھی نمایاں پیش رفت حاصل ہوئی جس میں بین الاقوامی مالیاتی پیغام رسانی کے معیار SWIFT ISO 20022 کی مکمل تعمیل، SWIFT version 7.8 میں بہتری، لین دین کی نگرانی میں اضافہ اور ملکی و بین الاقوامی ادائیگی کی صلاحیتوں کی توسیع شامل ہے، اس میں فوری رقوم منتقلی اور برآمدی وصولیوں کی اندرونی عمل کاری جیسے اقدامات شامل ہیں۔

بینک نے آمدنی میں اضافے اور صارف کی مرکزیت پر مبنی متعدد اقدامات بھی متعارف کرائے جن میں نئی پارٹنرشپس، کارڈ آفرنگ اور ڈیجیٹل نوٹیفیکیشن سہولیات میں بہتری شامل ہیں۔ آپریشنل کارکردگی کو مزید مؤثر بنانے کے لیے سسٹم انٹیگریشن، سافٹ ویئر کوالٹی ایشرورنس کی آٹومیشن اور Ivanti آئی ٹی سروس کے نفاذ جیسے اقدامات کیے گئے جس سے مرکزی آئی ٹی پر ووسیس کی گورننس بہتر ہوئی۔

پورے سال کے دوران FBL نے انفارمیشن سیکورٹی اور ریگولیٹری تعمیل پر بھرپور توجہ برقرار رکھی، جس میں سوئفٹ کسٹمر سیکورٹی کنٹرول فریم ورک پر عمل درآمد، ISO 27001 اور PCI DSS سرٹیفیکیشن کے حصول کی جانب مسلسل پیش رفت شامل ہے جو محفوظ اور مستحکم آپریشنز کے لیے بینک کے عزم کی عکاسی کرتی ہے۔

ڈیجیٹل بینکنگ گروپ

FBL جدید ترین اسلامی بینکوں میں سے ایک کے طور پر نمایاں مقام حاصل کر چکا ہے جو آسان استعمال ہونے والے ڈیجیٹل سلوشنز کے ذریعے زیادہ مؤثر مالیاتی مینجمنٹ فراہم کر رہا ہے۔ 2025 کے دوران بینک نے اپنی ٹیکنالوجی اور ڈیجیٹل ڈیوری پلیٹ فارمز کی اپ گریڈیشن پر نمایاں توجہ مرکوز رکھی، جس کا مقصد صارفین کے تجربے کو بہتر بنانا، کارکردگی میں اضافہ کرنا اور لین دین کی سیکورٹی کو مضبوط بنانا تھا۔

بینک نے نہ صرف موبائل اور انٹرنیٹ بینکنگ کے لیے اپنے ڈیجیٹل پلیٹ فارم کو اپ گریڈ کیا بلکہ ایک نیا کسٹمر ریلیشن شپ مینجمنٹ پلیٹ فارم بھی کامیابی سے نافذ کیا، جس سے فرنٹ

کارپوریٹ اینڈ انویسٹمنٹ بینکنگ گروپ (CIBG)

CIBG نے ایک اور شاندار سال مکمل کیا، جس میں کارپوریٹ فنانسنگ میں 29 فیصد اور مجموعی تجارتی حجم میں 49 فیصد اضافہ ریکارڈ کیا گیا۔ گروپ نے قرضہ جات کی ذمہ دارانہ پالیسی برقرار رکھتے ہوئے متوازن اور متنوع پورٹ فولیو کو فروغ دیا۔ سال کے دوران ملٹی نیشنل کمپنیوں، FMCGs اور بڑے مقامی کاروباری گروپس کے ساتھ کاروباری تعلقات کو مزید مضبوط بنایا گیا۔ ایسیٹ کوالٹی کو مستحکم رکھا گیا اور انفیکشن ریشو انڈسٹری کے کم ترین ریشو میں شامل رہا۔ گروپ نے حسب ضرورت کارپوریٹ حل فراہم کرتے ہوئے کارپوریٹ ڈائریکٹوریٹ، ٹرانزیکشن بینکنگ، ریمیننس اور فارن ایکسچینج رسک مینجمنٹ میں نمایاں کارکردگی دکھائی۔

ریمیننس بزنس نے سال کے دوران مضبوط کارکردگی کا مظاہرہ کیا، جس میں سالانہ بنیاد پر 31% ریکارڈ کی گئی۔ مسابقتی مارکیٹ ماحول میں FBL نے نمایاں استحکام کا مظاہرہ کیا، جہاں اس کا مارکیٹ شیئر بتدریج بڑھ کر گزشتہ سال کے 4.2% سے 6.1% تک پہنچ گیا۔ FBL جدید ترین ٹیکنالوجی میں سرمایہ کاری اور انسانی سرمائے کی ترقی کے لیے پُر عزم ہے تاکہ وہ اور سیز پاکستانی اور ان کے پیارے بدستور اعلیٰ معیار کی سہولیات سے مستفید ہوتے رہیں۔ یہ عزم بینکاری ذرائع سے پاکستان میں باضابطہ مجموعی ریمیننس کے حصول میں پائیدار نمو کو فروغ دے گا۔

ٹرانزیکشن بینکنگ سیگمنٹ نے بھی مضبوط کارکردگی ریکارڈ کی، جس میں ایمپلائ میمنٹ اور کیش مینجمنٹ بزنس نے بھرپور نمو کو سہارا دیا۔ ایمپلائ میمنٹ یونٹ نے اپنے اکاؤنٹس میں سال بہ سال 59% اضافہ کیا، جبکہ ٹرانزیکشن کی مقدار میں گزشتہ سال کے مقابلے میں 41% اضافہ ریکارڈ کیا گیا۔ یہ ترقی ملازمین کے لیے ترجیحی مالیاتی حل فراہم کرنے کی سوچ کے پیش نظر ممکن ہوئی، جس کے نتیجے میں صارف کی شمولیت میں اضافہ اور آپریشنل اثر میں بہتری آئی۔ دریں اثناء، کیش مینجمنٹ یونٹ نے غیر معمولی پیش رفت کا مظاہرہ کیا، جہاں کلیکشن اور ادائیگی کے مجموعی حجم میں 85% اضافہ ہوا۔ مجموعی طور پر، اس سیگمنٹ کی کارکردگی زبردست صلاحیت کی عکاسی کرتی ہے کہ وہ کارپوریٹ کلائنٹس کی بدلتی ضروریات کو پورا کرنے کے لیے موثر اور منافع بخش حل فراہم کر رہا ہے اور بینک کی مجموعی کارکردگی میں مثبت کردار ادا کر رہا ہے۔

سال 2025 کے دوران فیصل بینک کے انویسٹمنٹ گروپ نے مارکیٹ میں قائدانہ کردار برقرار رکھا اور مشترکہ مالی اعانت اور کیپٹل مارکیٹ ٹرانزیکشنز کو کامیابی سے پایہ تکمیل تک پہنچایا جن میں FBL کی شرکت 90 ارب روپے سے زائد رہی۔ یہ معاملات مختلف شعبوں پر محیط تھے جن میں قابل تجدید توانائی، ٹیلی کمیونیکیشن، تیل و گیس کی تلاش، اور انفراسٹرکچر کے منصوبے شامل تھے۔ گروپ کی موثر عملدرآمدی صلاحیت اور مارکیٹ میں مضبوط مقام کو متعدد باوقار بین الاقوامی اعزازات کے ذریعے مزید تقویت حاصل ہوئی جن میں رینو ایبل انرجی ڈیل آف دی ایئر، یوٹیلٹی ڈیل آف دی ایئر، پاکستان ڈیویسٹ گرین فنانسنگ بینک آف دی ایئر، ڈیٹ ڈیل آف دی ایئر، پاکستان اور ایشین بینکنگ اینڈ فنانس، پاکستان کی جانب سے گرین ڈیل آف دی ایئر، اسلامک فنانس نیوز کی جانب سے پاکستان ڈیل آف دی ایئر اور CFA سوسائٹی پاکستان کی جانب سے بیسٹ ٹرانزیکشن آف دی ایئر کے اعزازات شامل ہیں۔

کنزیومر بینکنگ

سال 2025 کے دوران مسابقتی مارکیٹ کے ماحول کے باوجود کنزیومر بینکنگ بزنس نے شاندار ترقی حاصل کی۔ مجموعی کنزیومر فنانس پورٹ فولیو میں سالانہ بنیاد پر 46 فیصد اضافہ ریکارڈ کیا گیا، جس کی معاونت متنوع پروڈکٹس کی کارکردگی، محتاط قرضہ جانچ کے طریقہ کار، اور صارفین کی بدلتی ضروریات پر مسلسل توجہ کی صلاحیت سے ہوئی۔

نور کارڈز کا پورٹ فولیو ترقی کا بنیادی محرک رہا جس میں 2025 کے دوران 71 ہزار سے زائد نئے صارفین کا اضافہ ہوا۔ نور کارڈ کی مقبولیت کا اندازہ اس بات سے بھی ہوتا ہے کہ اسپنڈنگ میں 44 فیصد اضافہ ہوا جو بڑھ کر 116 ارب روپے تک پہنچ گیا، اس سے موثر اسٹریٹجی اور صارفین کی زبردست شرکت واضح ہوتی ہے۔

FBL نے پاکستان کا پہلا پے پاک اور ماسٹر کارڈ کو-ہیجڈ ڈیٹ کارڈ متعارف کرایا جس سے صارفین کے لیے وسیع تر قبولیت، استطاعت اور رسائی میں اضافہ ہوا۔ پروڈکٹ اسٹریکچر کو سادہ بنانے، ڈیجیٹل ذرائع کے بڑھتے استعمال اور وسیع تر رسائی کی حکمت عملی کے باعث تنخواہ دار افراد، سیلف ایمپلائڈ صارفین، اور کم رسائی والے طبقات کے لیے خدمات کا حصول آسان ہوا۔ ان اقدامات نے محتاط خطرہ معیار اور مکمل ریگولیٹری ہم آہنگی کو برقرار رکھتے ہوئے ذمہ دارانہ اور پائیدار ترقی کو فروغ دیا اور اشتراکی ضرورت پر مبنی جدت کے حوالے سے ادارے کی توجہ کو مزید مستحکم کیا۔

لائسٹٹی پروڈکٹس کے لیے عالمی اعزازات

فیصل اسلامی عمل ویمن اکاؤنٹ کو گلوبل اسلامک فنانس ایوارڈز 2025 میں ”سال کا بہترین اسلامی سیونگز اکاؤنٹ“ قرار دیا گیا، جو اس کی منفرد ویلیو پروپوزیشن اور پاکستان بھر کی خواتین کو بااختیار بنانے کے ویژن کا اعتراف ہے۔

فیصل اسلامی خوشحال کسان اکاؤنٹ کو گلوبل اسلامک فنانس ایوارڈز 2025 میں ”بہترین اسلامی مالی شمولیت اقدام“ کا ایوارڈ دیا گیا، جو زرعی شعبے کی معاونت اور دیہی ترقی کے لیے مخصوص زرعی فنانس اور ڈیجیٹل سہولیات کا اعتراف ہے۔

زرعی فنانسنگ

سال 2025 کے دوران زرعی فنانسنگ میں بھی ترقی کارجان برقرار رہا۔ بنیادی توجہ کاشتکار برادری کے مالی اختیار کو بڑھانے اور FBL کی پروڈکٹس سے متعلق آگاہی پیدا کرنے پر مرکوز رہی۔ بینک نے ریگولیٹری رعایتی اسکیموں کے تحت فنانسنگ کا سلسلہ جاری رکھا، جن میں وزیراعظم یوتھ بزنس اینڈ ایگریکلچر لون اسکیم (PMYB&ALS) زرخیز ڈیجیٹل فنانسنگ اور الیکٹرانک ویزٹاؤس رسید (EWR) فنانسنگ اسکیم شامل ہیں۔ بینک نے کسانوں کی روزمرہ کی مالی ضروریات پوری کرنے کے لیے ”مشارکہ“ SLB کے نام سے نئی اور جدید اسلامی فنانسنگ پروڈکٹ بھی متعارف کروائی۔ زرعی بزنس پورٹ فولیو نے 50% اضافہ کے ساتھ کریڈٹ کوالٹی برقرار رکھی۔ FBL نے کسانوں کے لیے باقاعدہ مالی خواندگی کے پروگرام منعقد کئے، جس سے اکاؤنٹ کھولنے اور تعلیم کی سہولت فراہم ہوئی۔ خوشحال کسان اکاؤنٹ دیہی برادری میں ایک کامیاب اور مقبول پروڈکٹ ثابت ہوا اور نمایاں نتائج فراہم کئے۔

کمرشل بینکنگ اور اسمال اینڈ میڈیم انٹرپرائزز (CBSME)

گزشتہ چند برسوں کے دوران FBL نے CBSME کے شعبے میں نمایاں پیش رفت کی ہے۔ سال کے دوران بینک کی اسٹریٹجک توجہ معتبر اور اچھی ساکھ والے کمرشل صارفین کو شامل کرنے پر مرکوز رہی، جس کے نتیجے میں مختلف شعبہ جات پر مشتمل متنوع پورٹ فولیو تشکیل پایا اور کمرشل بینکنگ سروسز کی رسائی میں اضافہ ہوا۔ برانچ لیڈ ماڈل (BLM) اور جب اینڈ اسپوک ماڈل پر مؤثر عمل درآمد کے ذریعے بینک نے ملک کے اہم کاروباری مراکز میں SME اور کمرشل خدمات کے آغاز، نظم و نسق اور فروغ کی صلاحیت کو مزید مستحکم کیا۔

موجودہ معاشی حالات کے باوجود، CBSME پورٹ فولیو نے سالانہ بنیاد پر 60 فیصد نمو ریکارڈ کی، جو محتاط پینلن شیٹ توسیع، منتخب رسک لینے کی حکمت عملی اور مضبوط کلائنٹ حصول کی عکاسی کرتی ہے۔ ایسیٹ کی ترقی کے ساتھ ساتھ تجارتی بنیاد پر تعلقات کے فروغ پر مسلسل توجہ دی گئی، جس نے FBL کو ٹریڈ فنانسنگ کو بنیاد بنانے والے ریٹیل و کمرشل بینک کے طور پر مزید مستحکم کیا، جبکہ کریڈٹ پورٹ فولیو کے معیار کو بھی برقرار رکھا گیا۔

سال 2025 کے دوران SME فنانسنگ بینک کی کلیدی توجہ کامرکز رہا، جس میں خصوصی ایس ایم ای پروڈکٹس، ویلیو چین پر مبنی فنانسنگ اسٹریٹجیز اور اسٹیٹ بینک آف پاکستان کی فنانسنگ اسکیموں میں فعال شرکت کے ذریعے نمایاں پیش رفت حاصل کی گئی۔ اس کے ساتھ ساتھ نان بورونگ بزنس پر بھی خصوصی توجہ دی گئی، جس کے نتیجے میں فیس پر مبنی آمدنی اور منافع میں اضافہ ہوا۔ اس کے لیے ٹریڈ والیو مزی کی بہتر روئنگ، تیز تر سروس ڈیلیوری، ڈیجیٹلائزیشن میں اضافہ اور صرف ٹریڈ صارفین کو بنیادی بینکنگ تعلقات میں تبدیل کرنے کی حکمت عملی کے ذریعے CASA ڈپازٹس، آپریٹنگ، سیلنسرز اور ٹرانزیکشنل بینکنگ میں نمو حاصل ہوئی۔ سپلائی چین فنانس، پروگرام میسڈ وکلسٹر فنانسنگ اور ٹریڈ لنکڈ سلوشنز کی توسیع نے SME اور کمرشل شعبہ جات میں بینک کی منظم رسائی کو مزید مضبوط کیا۔

4۔ عمل و یمن + E (عمل و یمن اکاؤنٹ کی توسیع)

عمل + E، عمل و یمن اکاؤنٹ کے تحت خواتین انٹرپرائیوز کے لیے ایک جامع مالیاتی اور کاروباری خود مختاری پلیٹ فارم ہے جو پاکستان بھر کی خواتین کے لیے ڈیزائن کیا گیا ہے۔ خود مختار، انٹرپرائز اور کاروباری مہارت کے بنیادی ستونوں پر تیار کیا گیا یہ پلیٹ فارم شریعت سے ہم آہنگ فنانسنگ، ڈیجیٹل سہولیات اور بزنس سپورٹ کو یکجا کرتے ہوئے ایک مکمل ایکو سسٹم فراہم کرتا ہے۔ اس پلیٹ فارم کے تحت اہل صارفین کو وزیراعظم یوتھ بزنس اینڈ ایگریکلچر لون اسکیم کے تحت رعایتی فنانسنگ تک رسائی کے ساتھ ساتھ کنزیومر فنانس کی خصوصی سہولیات بھی فراہم کی جاتی ہیں۔

5۔ روشن ڈیجیٹل اکاؤنٹ (RDA)

روشن ڈیجیٹل اکاؤنٹ پورٹ فولیو نے غیر معمولی کارکردگی کا مظاہرہ کیا، جہاں ڈپازٹس میں 54% اضافہ ریکارڈ کیا گیا، اس کے ساتھ ساتھ بینک کے ڈیجیٹل طور پر فعال، محفوظ اور صارف مرکوز بینکاری حل پر مضبوط اور مسلسل اعتماد کا مظہر ہے۔ اس مثبت رفتار کو مزید مستحکم بناتے ہوئے بینک نے اوور سیز پاکستانیوں کے لیے بزنس ویلیو اکاؤنٹ متعارف کروایا۔ یہ جدید پیشکش مکمل پیپر لیس اور باسہولت ڈیجیٹل آن بورڈنگ تجربہ فراہم کرتی ہے، جس کے ذریعے کاروباری نوعیت کے صارفین بیرون ملک سے ہی اکاؤنٹ کھول سکتے ہیں۔ یہ پیش رفت RDA پروڈکٹس کے دائرہ کاری میں وسعت لانے کی جانب ایک اہم اسٹریٹجک سنگ میل ہے اور ٹیکنالوجی پر مبنی، مستقبل سے ہم آہنگ بینکاری حل کے ذریعے طویل مدتی قدر کی تخلیق کے عزم کی عکاسی کرتی ہے۔

6۔ فیصل پرائیویٹ بینکنگ

سال 2025 کے دوران فیصل پرائیویٹ بینکنگ نے صارفین کی بدلتی ضروریات کے مطابق جدید پروڈکٹس اور منفرد ویلیو پروپوزیشن کے امتزاج کے ذریعے نمایاں کامیابی حاصل کی۔ ترجیحی امتیازی خصوصیات جیسے ممبر شپ مراعات، اعزازی ٹیکس فائلنگ کی سہولت اور پرائیویٹ کلائنٹس کے لیے خصوصی ہیلپ ڈیسک کو رتیج نے اس پیشکش کو انڈسٹری میں منفرد مقام دلایا۔ ان اقدامات نے مجموعی طور پر مضبوط مالی کارکردگی میں معاونت کی اور کرنٹ اکاؤنٹ اوسط بیلنس میں تقریباً 55% اضافہ ریکارڈ کیا گیا۔

7۔ ویلتھ مینجمنٹ

ویلتھ مینجمنٹ نے اپنی پروڈکٹس کے پورٹ فولیو میں اسٹریٹجک تبدیلیاں متعارف کرواتے ہوئے اسینڈ پلان متعارف کروایا، جو ایک فنڈ آف فنڈز اسکیم ہے جو کاروباری انداز میں ایکویٹی، انکم اور منی مارکیٹ انسٹرومنٹس میں سرمایہ کاری کو تقسیم کرتی ہے، یوں صارفین کو متوازن اور متنوع سرمایہ کاری کا حل فراہم کیا جاتا ہے۔ مزید برآں، بینکا کا فائل پروڈکٹس بشمول EFU کا فائل زینتھ پلان، EFU کا فائل WIN فنڈ کو ر اور جوہلی کا فائل مستر پلان متعارف کروائے گئے، جس سے ویلتھ پروپوزیشن مزید مستحکم ہوئی۔

سال 2025 کے دوران FBL نے ایک مؤثر، ہدفی اور وسیع تر مارکیٹنگ اور کمیونیکیشن حکمت عملی پر عمل درآمد کیا، جس کا مقصد ایک نمایاں اسلامی بینک کے طور پر اپنی پوزیشن کو مضبوط بنانا اور اہم کاروباری ترجیحات کو سپورٹ کرنا تھا۔ سال بھر کی کمیونیکیشن حکمت عملی اسلامی بینکاری کے طور پر شناخت کو اجاگر کرنے پر مرکوز رہی، جس میں ٹیلی ویژن، ریڈیو، آؤٹ ڈور، پریس اور ڈیجیٹل پلیٹ فارمز پر بھرپور تشہیری مہم اور موجودگی شامل رہی۔ رمضان اور PSL کے دوران زبردست کمپین نے برانڈ کو عوامی سطح پر مؤثر انداز میں متعارف کرایا، جبکہ قومی اور مذہبی مواقع پر منظم کمیونیکیشن نے عوام کے ساتھ وابستگی بڑھانے کو فروغ دیا۔

بینک نے اپنی CSR اقدامات اور ترقی کے جامع ایجنڈا کو بھی مزید تقویت دی۔ FBL کی مربوط اور نتائج پر مبنی حکمت عملی کو پاکستان ڈیجیٹل ایوارڈز 2025 میں ”بیسٹ ڈیجیٹل کمپین“ ایوارڈ سے بھی نوازا گیا۔

کاروباری جائزہ

ریٹیل بینکنگ

ریٹیل بینکنگ نے سال 2025 کے دوران مضبوط نمو کا مظاہرہ کیا اور مجموعی ڈپازٹس 1.4 کھرب روپے سے زائد سطح پر برقرار رہے۔ اس شعبے کی توجہ بینک کی بیلنس شیٹ کو مستحکم بنانے پر مرکوز رہی، جس کے لیے ایسیٹ کوالٹی میں بہتری، آپریشنل کارکردگی میں اضافہ اور ڈپازٹس کی لاگت کو مؤثر انداز میں بہتر بنایا گیا۔ صارف پر توجہ کی حکمت عملی نے پورٹ فولیو کے استحکام اور پائیداری کو برقرار رکھنے میں اہم کردار ادا کیا۔ سال کے دوران FBL نے اپنے برانچ نیٹ ورک میں مزید 45 نئی برانچوں کا اضافہ کیا، جس کے بعد ملک بھر میں برانچوں کی مجموعی تعداد 900 ہو گئی اور 2 ملین سے زائد صارفین تک بینکاری خدمات کی رسائی ممکن بنائی گئی، اس طرح بینک کے مالی شمولیت کے ایجنڈا کو مزید تقویت حاصل ہوئی۔

اپنے صارفین کی وسیع ضروریات کو پورا کرنے کے پیش نظر اسٹریٹجک توجہ کے تحت، FBL نے 2025 میں اپنی سیگمنڈریٹیل بینکنگ پیشکش کو مزید مستحکم کیا، جس کے ذریعے صارفین کے مختلف طبقات کے لیے شریعت سے ہم آہنگ، حسب ضرورت مالیاتی حل فراہم کیے گئے۔ اسی حکمت عملی کے تسلسل میں بینک نے سال کے دوران متعدد جدید اور انڈسٹری میں پہلی مرتبہ متعارف کرائی جانے والی پروڈکٹس کا آغاز کیا، جن کا مقصد انفرادی اور کاروباری دونوں شعبوں کے لیے صارف کے تجربہ کو از سر نو متعین کرنا تھا۔ ان پروڈکٹس کی تفصیل درج ذیل ہے:

۱۔ باکمال کاروبار اکاؤنٹ

یہ اکاؤنٹ پاکستان بھر میں چھوٹے تاجروں (مرچنٹس) سے لے کر بڑے کاروباری اداروں (انٹرنیشنل) تک کاروباری حلقوں کی وسیع ضروریات کو مد نظر رکھتے ہوئے ڈیزائن کیا گیا ہے۔ مرچنٹ سیگمنٹ کے لیے حسب ضرورت سلوشنز فراہم کیے گئے ہیں، جس میں پیمنٹ منٹ وصولی کی جامع سہولیات کی سپورٹ حاصل ہے، جن میں QR کے ذریعے ادائیگیاں، POS مشینیں، انٹرنیٹ بینک گیت وے (IPG) اور فیصل ٹرانزیکٹ شامل ہیں۔ اس کے علاوہ اکاؤنٹ میں متعدد مفت بینکاری سہولیات بھی فراہم کی جاتی ہیں۔

۲۔ ہمارا پاکستان ریمیٹنس اکاؤنٹ

یہ ایک منفرد اقدام ہے جس کا مقصد کیش اور دی کاؤنٹر چینلز کے ذریعے موصول ہونے والی ہوم ریمیٹنس حاصل کرنے والے افراد کے لیے ترسیلات زر کے تجربے کو آسان اور باضابطہ بنانا ہے۔ اس اکاؤنٹ کے ذریعے ریمیٹنس وصول کرتے وقت ہی ٹیلر کاؤنٹر پر فوری اکاؤنٹ کھولنے کی سہولت ممکن بنائی گئی ہے جو روایتی ریمیٹنس سے جدید بینکاری میں زبردست تبدیلی ہے۔ مکمل ڈیجیٹل اور پیپر لیس آن بورڈنگ کے ذریعے صارفین کو ویلکم بونس، ریمیٹنس پر کیش بیک اور ہاسپیٹلائزیشن کوریج کے ساتھ مفت ہیلتھ کارڈ جیسی سہولیات فراہم کی جاتی ہیں جو مالی شمولیت اور صارف سے پائیدار تعلق کو فروغ دیتی ہیں۔

۳۔ ماہر آئی ٹی ایکسپورٹ رائیڈ فری لانسر کرنٹ اکاؤنٹ

یہ اکاؤنٹ فری لانسرز اور آئی ٹی ایکسپورٹرز کے لیے خصوصی طور پر تیار کیا گیا ہے جو ڈیجیٹل اور آن لائن سروسز سے وابستہ ہیں۔ اس میں قرض حسنہ کی بنیاد پر PKR کرنٹ اکاؤنٹ (پرائمری اکاؤنٹ) کے ساتھ لنکڈ فارن کرنسی (FCY) اکاؤنٹ شامل ہے، جس کے تحت غیر ملکی زر مبادلہ کی آمدنی کا 50% تک برقرار رکھنے کی سہولت میسر ہے۔ مزید برآں، اس اکاؤنٹ کے ساتھ USD اور PKR دونوں کرنسیوں میں ڈیبٹ کارڈز فراہم کیے جاتے ہیں جو ایک آسان اور مؤثر بینکاری تجربہ یقینی بناتے ہوئے پاکستان کی ابھرتی ہوئی ڈیجیٹل ایکسپورٹ اکانومی کو تقویت دیتے ہیں۔

نمایاں صنعتی دباؤ اور پالیسی ریٹس میں کمی اور اسلامی بینکوں کے لیے کم از کم ڈپازٹ ریٹ (MDR) کے نفاذ کے باوجود، فیصل بینک لمیٹڈ نے 2025 میں بھی کامیابی کا سلسلہ جاری رکھا اور بہترین کارکردگی کا مظاہرہ کیا۔ انفرادی طور پر، بینک نے 21.7 ارب روپے بعد از ٹیکس منافع کمایا اور فی حصص آمدن 14.30 روپے رہی جو گزشتہ سال 15.17 روپے تھی۔ اگرچہ پالیسی ریٹس میں کمی اور MDR کے نفاذ نے خالص منافع پر دباؤ ڈالا، تاہم اس اثر کو بڑی حد تک کرنٹ اکاؤنٹ ڈپازٹس میں اضافے، نان فنڈڈ آمدنی میں بہتری اور پروڈن کے ریورسل کے ذریعے متوازن کر لیا گیا۔

سال 2025 کے دوران، بینک نے اپنی ترقی کا سفر جاری رکھا اور کل آمدنی میں استحکام کو برقرار رکھا۔ بینک کی کل آمدنی 99.1 ارب روپے تک پہنچ گئی جو گزشتہ سال کے مقابلے میں 1.4 فیصد اضافے کو ظاہر کرتی ہے۔ یہ اضافہ پالیسی ریٹس میں کمی اور یکم جنوری 2025 سے سیونگ ڈپازٹس پر نیم ڈپازٹ ریٹ (MDR) کے نفاذ کے باوجود حاصل کیا گیا۔ خالص منافع (Net spreads) 69.6 ارب روپے رہا، منافع میں کمی کے اثر کو کرنٹ ڈپازٹس میں 128 ارب روپے (31.3 فیصد) کے زبردست اضافے سے جزوی طور پر پورا کیا گیا۔ اس اضافے نے بینک کے کم لاگت والے فنڈنگ بیس کو مزید استحکام بخشا ہے۔

نان فنڈڈ آمدنی مجموعی آمدنی میں ایک اہم کردار ادا کرتی رہی، جس میں 69.6% اضافہ ہوا اور یہ 2025 میں بڑھ کر 29.4 ارب روپے تک پہنچ گئی۔ فیس آمدنی 22.7% اضافے کے ساتھ 12.9 ارب روپے ہو گئی، جس کی بنیادی وجہ تجارتی لین دین سے متعلق آمدنی، کارڈ فیس اور برانچ بینکنگ آمدنی میں اضافہ تھا۔ فارن ایکسچینج (FX) آمدنی میں بھی مضبوط رفتار برقرار رہی اور 46.7% اضافے کے ساتھ 7.8 ارب روپے رہی۔ ڈیویڈنڈ آمدنی میں بھی 27.2% اضافہ ہوا اور 0.5 ارب روپے رہی، جبکہ کیپٹل گینز میں 7.1 ارب روپے کا اضافہ حاصل کیا گیا۔ مزید برآں، بینک نے 2025 کے دوران ایکویٹی سیکورٹیز پر (بعد از ٹیکس) 1.2 ارب روپے کا منافع براہ راست ایکویٹی میں حاصل کیا، جو گزشتہ سال 0.2 ارب روپے تھا۔

کل اخراجات میں 2024 کے مقابلے میں 14.3% اضافہ ہوا، جس کی بنیادی وجوہات افراتر کے دباؤ اور برانچ نیٹ ورک میں توسیع کے اخراجات شامل رہے۔ اگرچہ نان فنڈڈ آمدنی میں مضبوط 69.6% اضافہ ریکارڈ کیا گیا، تاہم پالیسی ریٹس میں کمی کے نتیجے میں منافع پر دباؤ آنے سے کاسٹ ٹوائکم ریشو 2024 کے 51% سے بڑھ کر 2025 میں 57% ہو گیا۔ بینک نے 4.9 ارب روپے کا نیٹ پروویژن ریورسل ریکارڈ کیا، جبکہ گزشتہ سال یہ 2.5 ارب روپے تھا۔ ایسیٹ کوالٹی میں مزید بہتری آئی، جس کے نتیجے میں انفیکشن ریشو 3.6% سے کم ہو کر 2.3% ہو گیا، جبکہ ٹوٹل پروویژن کوریج 97.0% رہا۔

مضبوط ڈپازٹ موبلائزیشن سے بینک کے اثاثہ جات بڑھ کر 1.8 کھرب روپے تک پہنچ گئے۔ کرنٹ اکاؤنٹس میں نمو مضبوط رہی اور نصف کھرب کے نشان کو عبور کر کے 536 ارب روپے تک پہنچ گئے، جو دسمبر 24 سے 31.3% زیادہ کی عکاسی کرتے ہیں۔ مجموعی ڈپازٹس دسمبر 2024 سے 36.7% اضافے کے ساتھ 1.43 کھرب روپے تک بڑھ گئے، اس کا مارکیٹ شیئر 3.45% سے بڑھ کر 3.81% تک پہنچ گیا۔ دسمبر 2025 تک FBL کی نیٹ فنانسنگ میں 37.6% اضافے کے ساتھ 872 ارب روپے تک پہنچ گئی، جبکہ مارکیٹ شیئر 4.2% سے بڑھ کر 6.1% ہو گیا۔ ایڈوانس ٹوڈپازٹ ریشو (ADR) دسمبر 2024 کے 60.7% کے مقابلے میں مضبوط ہو کر دسمبر 2025 میں 61.1% ہو گیا۔ بینک کا کیپٹل ایڈی کو بی ریشو (CAR) گزشتہ سال کے 16.54% سے کم ہو کر 14.04% رہا، جس کی بنیادی وجہ بیلنس شیٹ میں توسیع ہے، تاہم یہ 2025 کے لیے مقررہ کم از کم ریگولیٹری تقاضے سے بدستور خاطر خواہ زائد ہے۔

بینک غیر معمولی نتائج کی فراہمی اور تمام اسٹیک ہولڈرز کے لیے پائیدار منافع کمانے کے عزم پر قائم ہے۔ مضبوط بنیادوں اور ترقی پر مبنی کاروباری سوچ کے ساتھ، ہمیں یقین ہے کہ ہم ان شاء اللہ مستقبل میں نئی بلندیوں کا حصول ممکن بنائیں گے۔

اکاؤنٹنگ تخمینے میں تبدیلی

سال کے دوران بینک نے بعض ایسے اثاثہ جات کی مفید عمر (Useful Life) کا از سر نو جائزہ لیا جو آفس ایکوئپمنٹ کے زمرے میں آتے ہیں۔ اس جائزے کے نتیجے میں ان اثاثہ جات کی مفید عمر میں ایسی تبدیلی آئی ہے جو ان کے مفید استعمال کے حقیقی اندازے کی زیادہ بہتر عکاسی کرتی ہے۔ ان تبدیلیوں کو یکم جنوری 2025 سے نافذ، 8 IAS اکاؤنٹنگ پالیسیز کے تقاضوں کے مطابق اکاؤنٹنگ تخمینے میں تبدیلی کے طور پر زیر جائزہ رکھا گیا ہے۔

سال کے دوران مالیاتی استحکام میں مزید بہتری آئی، جس میں مالیاتی خسارہ کم ہو کر جی ڈی پی کے 5.4% تک رہ گیا، جو گزشتہ سال 6.9% تھا۔ ٹیکس آمدنی 26% اضافے کے ساتھ 12.7 کھرب روپے تک پہنچ گئی، جبکہ مجموعی آمدنی 35% بڑھ کر 18.0 کھرب روپے رہی۔ اخراجات کے نظم و ضبط کے نتیجے میں پرائمری سرپلس جی ڈی پی کے 2.4% تک پہنچ گیا جو گزشتہ سال 0.9% تھا اور مالیاتی نتائج آئی ایم ایف پروگرام کے اہداف کے عین مطابق رہے۔ بیرونی اکاؤنٹ نے مالی سال 2025 میں 2.1 ارب امریکی ڈالر کا سرپلس ریکارڈ کیا، جس کی بڑی وجہ ورکرز ریمیٹنس میں زبردست کارکردگی اور برآمدات کی بحالی تھی۔ تاہم مالی سال 2026 کے ابتدائی اشاریوں میں نایک بار پھر دباؤ دیکھنے میں آیا جہاں جولائی تا نومبر کے دوران مجموعی کرنٹ اکاؤنٹ خسارہ 812 ملین امریکی ڈالر رہا، جس کی وجہ درآمدات میں اضافہ اور برآمدی ترقی میں سست روی تھی اگرچہ ترسیلات زر میں استحکام نے جزوی توازن فراہم کیا۔

کیپٹل مارکیٹس میں سرمایہ کاروں کے اعتماد میں بہتری نظر آئی، جہاں کے ایس ای 100 انڈیکس 50% سے زائد اضافے کے ساتھ 174,054 پوائنٹس پر بند ہوا۔ اس کارکردگی میں مقامی اداروں کے سرمایہ کاروں کی مضبوط شرکت اہم رہی، حالانکہ غیر ملکی سرمایہ کا اخراج اور جغرافیائی سیاسی حالات کے سبب غیر یقینی کیفیت موجود رہی۔ مستقبل کے پیش نظر، اقتصادی رفتار کو برقرار رکھنے کے لیے مسلسل پالیسی کے نفاذ، بروقت بیرونی فنانسنگ اور ساختی اصلاحات میں تیزی ناگزیر ہوگی تاکہ مستحکم مالی صورتحال یقینی ہو۔ اگرچہ سال 2025 نے میکرو اکنامک استحکام کی مضبوط بنیاد فراہم کی، تاہم اصل چیلنج اس استحکام کو پائیدار اور ہمہ گیر معاشی ترقی میں تبدیل کرنا ہے۔

بینک کی کارکردگی:

بینک کی کارکردگی کا تفصیلی جائزہ درج ذیل پیرا گرافس میں فراہم کیا گیا ہے

مالیاتی کارکردگی:

بیلنس شیٹ کے نمایاں اعداد و شمار			
نمو	2024	2025	
%	ملین روپے		
-6.3%	677,372	634,940	سرمایہ کاری
+37.6%	633,910	871,999	فنانسنگ
+13.6%	1,562,668	1,774,730	کل اثاثہ جات
+36.7%	1,044,279	1,427,356	ڈپازٹس
نفع و نقصان کا اکاؤنٹ			
+1.4%	97,745	99,073	کل آمدنی
+14.3%	(49,802)	(56,904)	کل اخراجات
-12.0%	47,943	42,168	قبل از ٹیکس و پروویژنز نفع
+98.0%	2,464	4,879	خالص پروویژنز
-6.7%	50,408	47,047	قبل از ٹیکس نفع
-7.4%	(27,379)	(25,344)	ٹیکس
-5.8%	23,028	21,703	بعد از ٹیکس نفع
-5.8%	15	14	فی حصص آمدن (روپے)
+597%	209	1,456	ایکونومی سیکورٹیز اور جائیداد کی فروخت سے حاصل ہونے والا منافع جو براہ راست ایکونومی میں تسلیم کیا گیا (بعد از ٹیکس)

ڈائریکٹرز کا جائزہ

ان کنسولیڈیٹڈ مالیاتی گوشوارے برائے سال 2025

ہم بورڈ آف ڈائریکٹرز کی جانب سے، فیصل بینک لمیٹڈ ("FBL" یا "بینک") کے لیے 31 دسمبر 2025 کو ختم شدہ سال کے لیے ڈائریکٹرز رپورٹ کے ساتھ آڈٹ شدہ مالیاتی نتائج اور آڈیٹرز رپورٹ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کمپنی پروفائل :

FBL کا قیام پاکستان میں 3 اکتوبر 1994 کو ایک پبلک لمیٹڈ کمپنی کے طور پر عمل میں آیا اور اس کے حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔ FBL صارفین کے تمام طبقات جیسے ریٹیل، چھوٹے اور متوسط درجے کے کاروباری ادارے، تجارتی، زراعت پر مبنی اور کارپوریٹ کو اسلامی بینکنگ خدمات کی ایک وسیع رینج پیش کرتا ہے۔

بینک نے 31 دسمبر 2022 کو اپنا کنونیشنل بینکنگ لائسنس واپس کیا اور یکم جنوری 2023 کو اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ اسلامی بینکاری لائسنس کے تحت آپریشنز کا آغاز کیا۔ بینک کی ملک بھر کے 369 شہروں میں 900 شاخیں شرعی اصولوں کے عین مطابق خدمات فراہم کر رہی ہیں۔

ہولڈنگ کمپنی

الٹار بینک (B.S.C. کلوزڈ)، ایک بینکنگ ادارہ ہے جو مرکزی بینک آف بحرین کے ذریعے ریگولیٹ کیا جاتا ہے، یہ مرکزی کمپنی ہے، جو فیصل بینک لمیٹڈ میں بالواسطہ یا بلاواسطہ 66.78% (2024:66.78%) حصص کی حامل ہے۔ الٹار بینک (B.S.C. کلوزڈ) الٹار ہولڈنگز B.S.C. کا ملکیتی ذیلی ادارہ دارالملک الاسلامی ٹرسٹ (DMIT) الٹار ہولڈنگ B.S.C. کی ہولڈنگ کمپنی اور گروپ کی سرپرست ہے۔ DMIT کو معاہدے کے ذریعے کامن ویلتھ بہاماس کے قوانین کے تحت اسلامی قوانین، اصولوں اور روایات کے مطابق کاروباری امور کو سرانجام دینے کے مقصد سے تشکیل دیا گیا تھا۔

معاشی تازہ کاری جائزہ:

سال 2025 کے دوران پاکستان کی معیشت میں محتاط استحکام دیکھنے میں آیا، جس کی نمایاں وجوہات میں بہتر ہونے والے میکرو اکنامک اشاریے، افراط زر میں نمایاں کمی، مالیاتی نظم و ضبط و استحکام اور سرمایہ کاروں کے اعتماد میں بتدریج بحالی شامل ہیں۔ اگرچہ یہ ترقی محدود رہی اور ساختی رکاوٹیں بدستور موجود رہیں، تاہم موسمیاتی اثرات اور سخت عالمی حالات کے باوجود سال بھر معیشت نے بہتر میکرو اکنامک استحکام کا مظاہرہ کیا۔

مالی سال 2026 کی پہلی سہ ماہی (Q1 FY2026) میں معاشی رفتار میں بہتری آئی، جہاں حقیقی جی ڈی پی ترقی سال بہ سال بنیاد پر بڑھ کر 3.7% رہی، جو گزشتہ سال اسی عرصے میں 1.6% تھی۔ یہ بہتری بنیادی طور پر صنعتی شعبے کی مضبوط بحالی کے باعث ممکن ہوئی، جس نے تقریباً 9% نمو حاصل کی۔ اس پیش رفت کو مالیاتی حالات کی بہتری، خام مال کی مناسب دستیابی، ذخائر کی معمول پر واپسی اور موافق بین الاقوامی فیکیٹ سے تقویت ملی۔ مینوفیکچرنگ سرگرمیوں میں بھی وسیع تر بحالی دیکھنے میں آئی، جبکہ زریعی شعبہ خصوصی چیلنجز کے باوجود تقریباً 2.9% بڑھا، جس میں لائیو اسٹاک اور متعلقہ شعبہ کا اہم کردار رہا۔

سال 2025 کی ایک اہم میکرو اکنامک پیش رفت افراط زر میں نمایاں کمی تھی۔ افراط زر کی اوسط ہیڈ لائن مالی سال 2025 میں کم ہو کر 4.5% رہ گئی جو گزشتہ سال 23.4% تھی۔ اس کمی کی بنیادی وجوہات میں عالمی اجناس کی قیمتوں میں کمی، ملکی سطح پر غذائی رسد میں بہتری اور زیر انتظام بجلی کے نرخوں میں کمی شامل ہیں۔ افراط زر میں کمی نے عوام کی قوت خرید بحال کرنے میں مدد کی اور معاشی نمو کے لیے پالیسی اسبیس پیدا ہوئی۔

مانیٹری پالیسی محتاط مگر معاون رہی۔ دسمبر 2025 میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 50 بیس پوائنٹس کمی کر کے اسے 10.5% کر دیا، بعد ازاں، جنوری 2026 میں شرح کو برقرار رکھا گیا۔ اس کی بنیاد یہ توقعات تھیں کہ افراط زر درمیانی مدت کے ہدف 5-7% کے اندر رہے گی، اس میں موافق شرح اور رسدی دباؤ میں کمی کی حمایت معاون ہوگی۔ اسی دوران کیش ریزرو کی ضروریات کو بھی 6% سے کم کر کے 5% کر دیا گیا۔



Independent Auditor's Report

To the members of Faysal Bank Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Faysal Bank Limited ("the Bank")**, which comprise the unconsolidated statement of financial position as at 31 December 2025, and the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for 34 branches which have been audited by us and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2025 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Credit loss allowance against Islamic financing and related assets and off-balance sheet items: (Refer note 10 & 20.1 to the unconsolidated financial statements)	

S.No.	Key Audit Matter	How the matter was addressed in our audit
	As at 31 December 2025, the Bank's Credit loss allowance against Islamic financing and related assets and off-balance sheet items amounted to Rs. 19,755 million and Rs. 156 million, respectively. The Bank recognizes Expected Credit Losses (ECL) on Islamic financing and related assets and off-balance sheet items in accordance with the requirements of IFRS 9 along with the Application instructions issued by the State Bank of Pakistan (SBP) ("herein referred to as application instructions of IFRS 9"). The estimation of ECL, involves judgement and complexity. The key areas which are subject to judgement and complexity in the estimation of ECL are: - Model estimations: judgmental modelling and assumptions are used to estimate ECL which involves determining Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). Respective model's assumptions are key driver of uncertainty, and are required in the application of these model for calculation of the ECL estimate. - Economic scenarios: IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Complex Statistical methodology is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. - Qualitative criteria: the criteria selected to identify a SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios. In line with the application instructions of IFRS 9, the Bank must compare the ECL for Stage 3 with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against the Islamic financing and related assets on the basis of time-based criteria which should be supplemented by a Bank's subjective evaluation of credit worthiness of customers. The determination of provision, therefore, involves use of management's judgement, on a case-	Our audit procedures, amongst others, included the following: - Performing risk assessment procedures over the credit loss allowance against Islamic financing and related assets and off-balance sheet exposure within the Bank's unconsolidated financial statement. As part of these risk assessment procedures, identifying the elements associated with risk of material misstatement on application including those arising from judgements over the estimation of ECL either due to, methods / models, assumptions or data. - Assessing the design, implementation and operating effectiveness of key controls established by the Bank over measurement of ECL and provision calculated as per PR. - We involved in-house specialist who assisted in the following: - Evaluating the Bank's ECL model methodologies for compliance with application instructions of IFRS 9 - Assessing the reasonableness of the Bank's methodology for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the assumptions, methodologies, and outputs of the models; - Assessing the reasonableness of macro-economic variables and economic forecasts by comparing these to external sourced data extracted; and - Performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. - Assessing the appropriateness of SICR criteria applied by the Bank by ensuring that the SICR criteria and staging methodology are consistent with the application instructions of IFRS 9. - Ensuring relevance and completeness of the key inputs into the ECL calculations with their

S.No.	Key Audit Matter	How the matter was addressed in our audit
	to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank. Because of the high degree of estimation uncertainty and complexity involved in the calculation of ECL we considered the area of ECL as a key audit matter.	respective sub-ledgers and general ledgers. • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents. • Performing sensitivity analysis on the key assumption, that is probability weighted economic scenarios, to assess reasonableness and the risk of biasness by changing weights assigned to each economic scenario. • In accordance with the PR, we sampled at least sixty percent of the total Islamic financing assets outstanding exposure and performed credit reviews through the following substantive procedures: - verifying repayments of Islamic financing / profit installments and checked that non-performing Islamic financing and related assets have been correctly classified and categorized based on the number of days overdue; - examining watchlist accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate; and - assessing the accuracy of specific provision made against non-performing Islamic financing and related assets in accordance with the criteria prescribed under the PRs by performing recalculation. • Assessing the appropriateness of ECL categorized as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 customers pursuant to the requirement of application instructions of IFRS 9.



S.No.	Key Audit Matter	How the matter was addressed in our audit
		Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.

Information Other than the Unconsolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the Bank's Annual Report but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.



As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:
 - a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;



- b) the unconsolidated statement of financial position, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
 - c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and
 - d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.
2. We confirm that for the purpose of our audit we have covered more than sixty per cent of the total Islamic financing and related assets of the Bank.

The engagement partner on the audit resulting in this independent auditor's report is Zeeshan Rashid.

Date: 5 March 2025

**KPMG Taseer Hadi & Co.
Chartered Accountants**

Karachi

UDIN:

Unconsolidated Statement of Financial Position

As at December 31, 2025

Note **2025** **2024**
-----Rupees '000-----

ASSETS

Cash and balances with treasury banks	7	103,857,836	102,537,577
Balances with other banks	8	6,732,657	5,539,464
Due from financial institutions		-	-
Investments	9	634,939,757	677,372,396
Islamic financing and related assets	10	871,998,703	633,909,548
Property and equipment	11	52,997,191	44,711,052
Right-of-use assets	12	15,351,285	13,289,601
Intangible assets	13	2,312,447	2,600,358
Deferred tax assets		-	-
Other assets	14	86,539,679	82,707,643
Total Assets		1,774,729,555	1,562,667,639

LIABILITIES

Bills payable	15	33,288,005	39,169,649
Due to financial institutions	16	121,636,950	280,442,540
Deposits and other accounts	17	1,427,355,925	1,044,278,507
Lease liabilities	18	18,481,082	15,546,893
Subordinated sukuk		-	-
Deferred tax liabilities	19	5,198,775	12,983,960
Other liabilities	20	53,319,204	61,884,721
Total Liabilities		1,659,279,941	1,454,306,270

NET ASSETS

115,449,614 **108,361,369**

REPRESENTED BY

Share capital	21	15,176,965	15,176,965
Reserves		20,003,104	17,866,357
Surplus on revaluation of assets - net of tax	22	17,164,358	22,771,883
Unappropriated profit		63,105,187	52,546,164
		115,449,614	108,361,369

CONTINGENCIES AND COMMITMENTS

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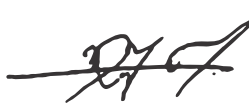
The annexed notes 1 to 49 and annexure I form an integral part of these unconsolidated financial statements.



President & CEO



Chief Financial Officer



Chairman



Director



Director

Unconsolidated Statement of Profit and Loss Account

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
Profit / return earned	25	165,933,531	225,051,851
Profit / return expensed	26	96,307,678	144,668,941
Net profit / return		69,625,853	80,382,910
OTHER INCOME			
Fee and commission income	27	12,852,455	10,474,136
Dividend income		525,093	412,870
Foreign exchange income		7,820,184	5,331,126
Income / (loss) from derivatives		1,056	(146,211)
Gain on securities	28	8,170,884	1,070,399
Net loss on derecognition of financial assets measured at amortised cost	29	(330,503)	(165,256)
Other income	30	407,940	384,996
Total other income		29,447,109	17,362,060
Total income		99,072,962	97,744,970
OTHER EXPENSES			
Operating expenses	31	55,863,279	48,675,791
Workers Welfare Fund		960,149	1,028,728
Other charges	32	81,041	97,238
Total other expenses		56,904,469	49,801,757
Profit before credit loss allowance		42,168,493	47,943,213
Credit loss allowance and write offs - net	33	(4,878,800)	(2,464,447)
Other income / expense items		-	-
PROFIT BEFORE TAXATION			
		47,047,293	50,407,660
Taxation	34	25,343,879	27,379,467
PROFIT AFTER TAXATION			
		21,703,414	23,028,193
----- Rupees -----			
Basic / diluted earnings per share	35	14.30	15.17

The annexed notes 1 to 49 and annexure I form an integral part of these unconsolidated financial statements.

President & CEO

Chief Financial Officer

Chairman

Director

Director

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2025

	2025	2024
	-----Rupees '000-----	
Profit after taxation for the year	21,703,414	23,028,193
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	(7,264,622)	7,729,995
	(7,264,622)	7,729,995
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain / (loss) on defined benefit obligations - net of tax	92,830	(44,500)
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	752,882	1,293,151
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	1,319,510	(170,430)
Movement in deficit on revaluation of non-banking assets - net of tax	(322,214)	(1,824)
	1,843,008	1,076,397
Total comprehensive income for the year	16,281,800	31,834,585

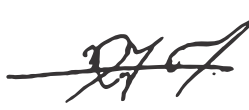
The annexed notes 1 to 49 and annexure I form an integral part of these unconsolidated financial statements.



President & CEO



Chief Financial Officer



Chairman



Director



Director

Unconsolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Share capital	Reserves				Surplus / (deficit) on revaluation of			Unappropriated profit	Total	
		Share premium	Capital reserves		Statutory reserve (note 6.28)	Total	Investments	Property and equipment / non-banking assets			Total
			Non-distributable capital reserve (NCR) - gain on bargain purchase (note 3.2)	Reserve arising on amalgamation (note 6.2)							
Note	Rupees '000-										
Balance as at December 31, 2023	15,176,965	10,131	188,301	23,952	15,393,804	15,616,188	3,349,029	11,802,042	15,151,071	44,254,137	90,198,361
Impact of adopting IFRS 9 as at January 1, 2024 - net of tax	-	-	-	-	-	-	(895,105)	-	(895,105)	(2,858,792)	(3,753,897)
Restated balance as at January 1, 2024 (Audited)	15,176,965	10,131	188,301	23,952	15,393,804	15,616,188	2,453,924	11,802,042	14,255,966	41,395,345	86,444,464
Profit after taxation for the year	-	-	-	-	-	-	-	-	-	23,028,193	23,028,193
Other comprehensive income - net of tax											
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	7,729,995	-	7,729,995	-	7,729,995
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	-	1,293,151	-	1,293,151	-	1,293,151
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(44,500)	(44,500)
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	(170,430)	(170,430)	-	(170,430)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(1,824)	(1,824)	-	(1,824)
Total other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	9,023,146	(172,254)	8,850,892	(44,500)	8,806,392
Gain on sale of equity instruments classified as FVOCI - net of tax	-	-	-	-	-	-	(208,848)	-	(208,848)	208,848	-
Transfer to statutory reserve	-	-	-	-	2,302,819	2,302,819	-	-	-	(2,302,819)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(126,127)	(126,127)	126,127	-
Amortisation of intangible assets - customer relationship - net of tax	3.2	-	-	(52,650)	-	(52,650)	-	-	-	-	(52,650)
Transaction with owners, recorded directly in equity											
Final cash dividend declared for the year 2023 on February 7, 2024 at Rs 2 per share	-	-	-	-	-	-	-	-	-	(3,035,394)	(3,035,394)
First interim cash dividend declared on April 25, 2024 at Re 1 per share	-	-	-	-	-	-	-	-	-	(1,517,697)	(1,517,697)
Second interim cash dividend declared on August 28, 2024 at Rs 2 per share	-	-	-	-	-	-	-	-	-	(3,035,394)	(3,035,394)
Third interim cash dividend declared on October 24, 2024 at Rs 1.5 per share	-	-	-	-	-	-	-	-	-	(2,276,545)	(2,276,545)
Balance as at December 31, 2024	15,176,965	10,131	135,651	23,952	17,696,623	17,866,357	11,268,222	11,503,661	22,771,883	52,546,164	108,361,369
Impact of adopting IFRS 9 as at January 1, 2025 - net of tax	6.1	-	-	-	-	-	1,714,963	-	1,714,963	-	1,714,963
Restated balance as at January 1, 2025	15,176,965	10,131	135,651	23,952	17,696,623	17,866,357	12,983,185	11,503,661	24,486,846	52,546,164	110,076,332
Profit after taxation for the year	-	-	-	-	-	-	-	-	-	21,703,414	21,703,414
Other comprehensive income - net of tax											
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	(7,264,622)	-	(7,264,622)	-	(7,264,622)
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	-	752,882	-	752,882	-	752,882
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	92,830	92,830
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	1,319,510	1,319,510	-	1,319,510
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(322,214)	(322,214)	-	(322,214)
Total other comprehensive income (loss) / income - net of tax	-	-	-	-	-	-	(6,511,740)	997,296	(5,514,444)	92,830	(5,421,614)
Gain on sale of equity instruments classified as FVOCI - net of tax	-	-	-	-	-	-	(1,234,119)	-	(1,234,119)	1,234,119	-
Transfer to statutory reserve	-	-	-	-	2,170,341	2,170,341	-	-	-	(2,170,341)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(100,252)	(100,252)	100,252	-
Transfer from surplus on revaluation of non-banking assets on disposal - net of tax	-	-	-	-	-	-	-	(473,673)	(473,673)	222,625	(251,048)
Amortisation of intangible assets - customer relationship - net of tax	3.2	-	-	(33,594)	-	(33,594)	-	-	-	-	(33,594)
Transaction with owners, recorded directly in equity											
Final cash dividend declared for the year 2024 on February 20, 2025 at Rs 2.5 per share	-	-	-	-	-	-	-	-	-	(3,794,241)	(3,794,241)
First interim cash dividend declared on April 24, 2025 at Rs 1.5 per share	-	-	-	-	-	-	-	-	-	(2,276,545)	(2,276,545)
Second interim cash dividend declared on August 28, 2025 at Rs 1.5 per share	-	-	-	-	-	-	-	-	-	(2,276,545)	(2,276,545)
Third interim cash dividend declared on October 23, 2025 at Rs 1.5 per share	-	-	-	-	-	-	-	-	-	(2,276,545)	(2,276,545)
Balance as at December 31, 2025	15,176,965	10,131	102,057	23,952	19,866,964	20,003,104	5,237,326	11,927,032	17,164,358	63,105,187	115,449,614

The annexed notes 1 to 49 and annexure I form an integral part of these unconsolidated financial statements.

President & CEO

Chief Financial Officer

Chairman

Director

Director

Unconsolidated Cash Flow Statement

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		47,047,293	50,407,660
Less: dividend income		(525,093)	(412,870)
		46,522,200	49,994,790
Adjustments:			
Net profit / return income		(69,625,853)	(80,382,910)
Depreciation on property and equipment	11.2	4,992,455	3,282,724
Depreciation on right-of-use assets	12	2,518,908	2,098,815
Depreciation on non-banking assets	14.1.1	1,184	2,562
Amortisation of intangible assets	13.2	582,155	445,303
Workers Welfare Fund		960,149	1,028,728
Reversal of credit loss allowance and write offs - net	33	(4,878,800)	(2,464,447)
Net loss on derecognition of financial assets measured at amortised cost	29	330,503	165,256
Gain on sale of property and equipment - net	30	(74,216)	(35,886)
Gain on sale of non-banking assets	30	(75,000)	-
Charge for defined benefit plan	31.2	522,769	353,387
(Income) / loss from derivative contracts - net		(1,056)	146,211
		(64,746,802)	(75,360,257)
		(18,224,602)	(25,365,467)
Decrease / (increase) in operating assets			
Due from financial institutions		-	-
Securities classified as FVPL		1,749,871	6,127,434
Financing		(234,188,036)	(73,929,736)
Others assets (excluding advance taxation)		(12,498,375)	(10,230,557)
		(244,936,540)	(78,032,859)
Increase / (decrease) in operating liabilities			
Bills Payable		(5,881,644)	22,619,180
Due to financial institutions		(158,805,590)	123,853,768
Deposits		383,077,418	26,002,770
Other liabilities (excluding current taxation)		(6,809,752)	16,535,738
		211,580,432	189,011,456
Income tax paid		(28,632,733)	(34,111,145)
Profit / return received		171,294,001	233,629,490
Profit / return paid		(92,922,869)	(146,042,139)
Contribution to gratuity fund		(619,508)	(264,793)
Net cash (used in) / generated from operating activities		(2,461,819)	138,824,543
CASH FLOWS FROM INVESTING ACTIVITIES			
Net divestment / (investments) in amortized cost securities		2,775,010	(39,387)
Net divestment / (investments) in securities classified as FVOCI		26,466,549	(75,914,167)
Net investments in subsidiary		(200,000)	(1,000,000)
Divestment in associates - net		-	1,514,509
Dividends received		524,065	413,877
Investment in property and equipment		(11,681,712)	(18,405,327)
Investment in intangible assets		(370,245)	(794,484)
Disposal proceeds of non-banking assets		925,000	-
Disposal proceeds of property and equipment		758,448	39,568
Net cash generated from / (used in) investing activities		19,197,115	(94,185,411)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(3,788,740)	(3,808,291)
Dividend paid		(10,433,104)	(16,474,348)
Net cash used in financing activities		(14,221,844)	(20,282,639)
(Decrease) / Increase in cash and cash equivalents during the year		2,513,452	24,356,493
Cash and cash equivalents at the beginning of the year		107,821,322	83,583,032
Effect of exchange rate changes on cash and cash equivalents		255,719	137,516
Cash and cash equivalents at the beginning of the year	36	108,077,041	83,720,548
Cash and cash equivalents at the end of the year	36	110,590,493	108,077,041

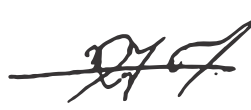
The annexed notes 1 to 49 and annexure I form an integral part of these unconsolidated financial statements.



President & CEO



Chief Financial Officer



Chairman



Director



Director

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

1 STATUS AND NATURE OF BUSINESS

- 1.1** Faysal Bank Limited (the Bank) was incorporated in Pakistan on October 3, 1994 as a public limited company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are listed on the Pakistan Stock Exchange Limited. The Bank is engaged in Shari'ah compliant modern Corporate, Commercial and Consumer banking activities. The Bank is operating through 900 branches (December 31, 2024: 855) including 2 sub-branches (December 31, 2024: 2)

The Registered Office of the Bank is located at Faysal House, ST-02, Shahrah-e-Faisal, Karachi.

Ithmaar Bank B.S.C (closed), a fully owned subsidiary of Ithmaar Holdings B.S.C is the parent company of the Bank, holding directly and indirectly 66.78% (2024: 66.78%) of the shareholding of the Bank. Dar Al-Maal Al-Islami Trust (DMIT), (ultimate parent of the Bank) is the holding company of Ithmaar Holdings B.S.C.

- 1.2** The State Bank of Pakistan has issued the Islamic Banking License No. BL(i) - 01 (2022) dated December 30, 2022 in the Bank's name, effective from January 1, 2023.
- 1.3** Based on the financial statements of the Bank for the year ended December 31, 2024, the VIS Credit Rating Company Limited has upgraded the Bank's medium to long-term as 'AA+' and reaffirmed the short-term rating as A1+ on June 30, 2025. The Pakistan Credit Rating Agency Limited (PACRA) have reaffirmed the Bank's long-term rating as 'AA' and the short term rating as 'A1+' on June 24, 2025.

2 BASIS OF PRESENTATION

- 2.1** The Bank provides financing mainly through Murabaha, Musawammah, Istisna and other Islamic modes as briefly explained in note 6.7 to these unconsolidated financial statements.

The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognised in accordance with the principles of Islamic Shari'ah. However, income, if any, received which does not comply with the principles of Islamic Shari'ah is recognised as charity payable if so directed by the Shari'ah Board of the Bank.

- 2.2** The Bank has controlling interest in Faysal Asset Management Limited (FAML) and Faysal Islami Currency Exchange Company (Private) Limited and is required to prepare consolidated financial statements under the provisions of the Companies Act, 2017. These financial statements represent the unconsolidated results of the Bank and a separate set of consolidated financial statements is also being presented by the Bank.

3 STATEMENT OF COMPLIANCE

- 3.1** These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants (ICAP) of Pakistan 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 State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

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

The State Bank of Pakistan (SBP) has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. The impact of profit of financing in advance stage is Rs. 2,285 million excluding any Effective Profit Rate (EIR) effect.

The Bank has received deferment of recording income and expense at Effective profit Rate via letter from SBP till December 31, 2025. Consequently, these deferred requirements of IFRS 9 have not been considered in the preparation of these annual unconsolidated financial statements. Nevertheless, the Bank has performed a preliminary assessment of the potential impact of adoption of these deferred requirement based on its unconsolidated statement of financial position as at December 31, 2025. The impact of changes in accounting policy on adoption of effective profit rate is not significant.

- 3.2** As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as Non-distributable Capital Reserve (NCR). The SBP allowed the Bank to adjust the amortisation of intangible assets against the portion of reserve which arose on account of such assets identified as a result of such acquisition. Accordingly, during the year ended December 31, 2025, the Bank has adjusted an amortisation of intangible assets net of tax amounting to Rs. 33.594 million (2024: Rs. 52.650 million) from the NCR.
- 3.3** The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3, 'Profit and loss sharing on deposits' for Institutions offering Islamic Financial Services (IIFS) relating to annual, half yearly and quarterly financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IIFS. These reporting requirements have not been notified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these unconsolidated financial statements.
- 3.4** The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial instruments: disclosures' through its S.R.O. 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.
- 3.5** The SECP through S.R.O. 56(1)/2016 dated January 28, 2016, has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds are not considered in these unconsolidated financial statements.
- 3.6 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year**

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on January 1, 2025 but are considered not to be relevant or do not have any significant effect on the Bank's operations are therefore not detailed in these annual unconsolidated financial statements except for note 6.1.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

3.7 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective

3.7.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations or amendments	Effective date (annual periods beginning on or after)
Annual Improvements to IFRS Accounting Standards - Amendments to:	
- IFRS 1 First- time Adoption of International Financial Reporting Standards;	January 1, 2026
- IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7;	January 1, 2026
- IFRS 10 Consolidated Financial Statements; and IAS 28 - Sale and contribution of assets between an investor and its associates or joint venture	January 1, 2026
- IAS 7 Statement of Cash flows	January 1, 2026
- Amendments to IAS 21 - Hyperinflationary presentation currency	January 1, 2026
- Adoption of IFRS 18 - Presentation and Disclosure in Financial Statements	January 1, 2027
- IFRS S1 - General Requirements for Disclosure of Sustainability - related Financial Information	January 1, 2026
- IFRS S2 - Climate-related Disclosures	January 1, 2026
- IFRS 9 - Certain requirements of IFRS 9 were deferred by the SBP is explained below	January 1, 2026

Profit / return earned and Profit / return expensed

Profit income and expense are recognised in profit or loss using the effective profit rate. The 'effective profit rate' (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.
- The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

In calculating profit income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, profit income is calculated by applying the credit-adjusted EIR to the amortised cost of the asset. The calculation of profit income does not revert to a gross basis, even if the credit risk of the asset improves.

Except for the certain requirement of IFRS 9 deferred by the SBP as mentioned above, the Bank expects that the amendments to other applicable and existing accounting and reporting standards effective from the annual period beginning on or after January 1, 2026 will not have a material impact on the annual unconsolidated financial statements of the Bank.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

3.7.2 As required under SBP Letter No. BPRD/LD-01/850/28853/2022-13054, the details of the net conventional funded portfolio as at December 31, 2025 are as follows:

	Note	Rupees '000
Assets		
Investments		4,214,715
Financing - net		462,612
Liabilities		
Deposits and other accounts		2,167,290
Other Liabilities	20	297,692

All efforts are being put in to convert or dispose-off the residual portfolio and appropriate monitoring mechanisms are in place. Quarterly progress report on the status of the residual portfolio is shared with the Bank's Board of Directors, the Shari'ah Board and the State Bank of Pakistan.

3.7.3 Profitability from residual (ring-fenced) non-shari'ah compliant portfolio

In compliance with the principles of Shari'ah, the Shari'ah Board of the Bank has approved the "Conventional profitability cleansing framework" ('the Framework'). According to the Framework, any income accruing on the ring-fenced portfolio during the year, net-off attributable expenses and charges, is booked as charity payable under other liabilities. The conventional profitability is calculated in light of Shari'ah principles, the guidance of the Shari'ah Board and the understanding available as at the computation date, changes, if any, may be adjusted retrospectively.

3.7.4 Critical accounting estimates and judgments

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain accounting estimates. It also requires the management to exercise judgement in the process of applying the Bank's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets, liabilities, income, and expenses. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgement was exercised in the application of accounting policies are as follows:

- i) Business combinations (note 6.2);
- ii) Classification of investments (note 6.5.1 and 9);
- iii) Valuation of financial assets and liabilities as per IFRS 9, associates and joint ventures (note 6.5.1 and 6.6);
- iv) Measurement of the expected credit loss allowance (notes 6.5.9);
- v) Valuation and depreciation of property and equipment (note 6.8 and 11.2);
- vi) Taxation (note 6.11 and note 34);
- vii) Valuation of non-banking asset acquired in satisfaction of claims (note 6.12 and 14);
- viii) Valuation of defined benefit plan (note 6.14 and 38);
- ix) Valuation and depreciation of right-of-use assets and their related lease liability (note 6.26, 12 and 18).

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

4 BASIS OF MEASUREMENT

These unconsolidated financial statements have been prepared under the historical cost convention except for certain property and equipment and non-banking assets acquired in satisfaction of claims which have been carried at revalued amounts, certain investments and derivative contracts which have been marked to market and are carried at fair value, obligations in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and costs as disclosed in details in note 6.26 to these unconsolidated financial statements) and depreciated over the respective lease terms.

5 FUNCTIONAL AND PRESENTATION CURRENCY

5.1 Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Bank operates. These unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

5.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

6 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2024, except for the following.

6.1 Change in accounting policy

Unlisted Equity Securities

In accordance with BPRD Circular Letter No. 16 dated July 29, 2024, SBP has relaxed the banks for the application of IFRS 9 'Financial Instruments' to measure unlisted equity securities at fair value effective from January 1, 2025. Therefore, the Bank has taken the impact of fair value adjustment to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at January 1, 2025 is shown below:

Financial Asset / Liabilities	Balances as of December 31, 2024	Impact due to remeasurements	Taxation	Impact - net of tax	Balances as of January 1, 2025
----- Rupees '000-----					
Assets					
Investments					
- FVOCI	655,283,618	3,648,857	-	3,648,857	658,932,475
Liabilities					
Deferred tax liabilities	12,983,960	-	1,933,894	1,933,894	14,917,854
Equity					
Surplus on revaluation of assets - net of tax	22,771,883	3,648,857	(1,933,894)	1,714,963	24,486,846

6.2 Business Combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed as at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The excess of the consideration transferred over the fair value of the Bank's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the unconsolidated profit and loss account. However, as more fully described in note 13.3 to these unconsolidated financial statements, the gain on bargain purchase arising on an acquisition made in 2010 has been recognised directly in equity as per the directives of the SBP.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any. Goodwill acquired in a business combination is tested for impairment annually or whenever there is an indication of impairment as per the requirements of International Accounting Standard (IAS) 36, 'Impairment of assets'. Impairment charge in respect of goodwill is recognised in the unconsolidated profit and loss account and is not subsequently reversed.

Acquisition of non-controlling interests (NCI) is measured at the proportionate share of the NCI in the fair value of the net assets acquired by the Bank. The excess of the fair value of consideration transferred over the proportionate share of the NCI in the fair value of the net assets acquired is recognised in equity. (Referring to the 'Reserve arising on amalgamation').

6.3 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts.

6.4 Due to / Due from financial institutions

The Bank enters into repurchase agreement (repo) and reverse repurchase agreements (reverse repos) at contracted rates for a specified period of time. These are recorded as under:

(a) Musharaka / Mudaraba placements

In Musharaka / Mudaraba, the Bank (or the counterparty financial institution/ the SBP) invests in the Shari'ah compliant business pools of the counterparty financial institutions/ the SBP (or the Bank) at the agreed profit and loss sharing ratio under musharaka agreements.

(b) Bai Muajjal

In Bai Muajjal, the Bank sells Shari'ah compliant instruments on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the sale and the credit price is recognised over the credit period and recorded as income. Bai Muajjal with Federal Government is classified as investment.

(c) Musharaka from the SBP under IERS

Under IERS, the Bank accepts funds from the SBP under Shirkat-ul-aqd to constitute a pool for investment in export refinance portfolio of the Bank under the guidelines issued by the SBP. The profit of the pool is shared as per the agreed weightages between the partners.

(d) Mudaraba investment from the SBP under various long term Islamic refinance schemes

Under various long term Islamic refinance schemes of the SBP, the Bank accepts funds from the SBP which are received on Mudaraba basis for investment in general pool of the Bank. The profit of the pool is shared as per the announced profit sharing ratio of the pool and the weightages assigned to these investments.

- 6.4.1** These are initially recognised at amount of funds disbursed / accepted (in case of Bai Muajjal, at sale price of the Sukuk net of deferred profit) and subsequently measured at amount receivable / payable under the contractual terms of the underlying agreement (in case of Bai Muajjal, at sale price of the Sukuk net of remaining deferred profit at reporting date, if any), except for Temporary Economic Refinance Facility (TERF) which are measured at amortized cost.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

6.5 IFRS 9 - Financial Instruments

6.5.1 Classification and measurement

Classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Profit (SPPI) criteria are required to be measured at fair value through profit and loss (FVPL) regardless of the business model in which they are held.

Recognition and initial measurement

Debt securities issued are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Bank becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price. The fair value of a financial asset on initial recognition is generally its transaction price. If the Bank determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Islamic financing and related assets other than staff financing and Temporary Economic Refinance Facility (TERF) are initially measured at transaction price i.e., the amount of financing disbursed at disbursement date.

Classification of Financial Assets

On initial recognition, a financial asset is classified as either amortized cost, FVOCI, or FVPL where as Islamic financing and related assets except for staff financing, the Temporary Economic Refinance Facility (TERF), and modified financing, are carried at cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Islamic financing and related assets are carried at cost, net of expected credit loss allowances, except for Temporary Economic Refinance Facility (TERF), staff financing and modified financing, which are measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

IFRS 9 allows entities to irrevocably designate, at initial recognition, a financial asset as measured at FVPL if doing so eliminates or significantly reduces any 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different basis. SBP instructions state that banks may apply the fair value option if, in addition to the IFRS 9 criterion, (a) it is consistent with a documented risk management strategy, and (b) fair values are reliable at inception and throughout life of the instrument.

Classification of Financial Liabilities

Financial liabilities are either classified as fair value through profit and loss account (FVPL), when they are held for trading purposes, or at amortized cost when not held for trading. Financial liabilities classified as FVPL are measured at fair value and all the fair value changes are recognized in profit and loss account. Financial liabilities classified at amortized cost are initially recorded at their fair value and subsequently measured using the effective profit rate method. Profit expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss account.

6.5.2 Business model assessment

A financial asset is classified as either Held to collect, Held to collect and sale and Others based on Business model assessment. The Bank makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, business manager's compensation and historical sales information.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

6.5.3 Assessment of whether contractual cash flows are solely payments of principal and profit (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

The Bank assesses whether the contractual cash flows of a financial asset meet the Solely Payments of Principal and Profit (SPPI) criterion by examining the contractual terms. This includes checking for terms that could alter the amount and timings of cash flows, such as contingent events, leverage, or prepayment features, etc.

A prepayment feature aligns with SPPI if it mainly represents unpaid principal and profit, including reasonable compensation for early termination.

For fixed-rate financings with periodic profit rate resets, the Bank considers these SPPI-compliant as the revised rates reflect time value, credit risk, and other associated risks.

6.5.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit or dividend income, are recognised in statement of profit or loss account.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective profit rate. The amortised cost is reduced by impairment losses. Profit and impairment are recognised in statement of profit or loss account.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

Debt investments at FVOCI	These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Profit income is calculated using the effective profit rate and includes amortization of premiums and accretion of discount and impairment are recognised in profit and loss account. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss account.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to statement of profit or loss account.
Unquoted Securities	The fair value of unquoted equity instruments is determined by applying the income approach method. All fair value adjustments are recognized in Other Comprehensive Income (OCI) and accumulated within equity, in accordance with IFRS 9.
Islamic financing and related assets at cost	Islamic financing and related assets are carried at cost, net of expected credit loss allowances, except for Temporary Economic Refinance Facility (TERF) and staff financing, modified financing which are carried at amortized cost, net of expected credit loss allowances.

6.5.5 Amortised cost and gross carrying amount

The Bank classifies its debt based financial assets at amortised cost only if both of the following criteria are met and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect Contractual Cash Flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit (SPPI test) on the principal amount outstanding.

Financial assets under amortised cost category are initially recognised at fair value plus transaction cost.

Staff and Temporary Economic Refinance Facility (TERF) financing are recognized at fair value at the time of disbursement. The fair value is determined by discounting the expected future cash flows using the prevailing market rates for instruments.

Financial liabilities are either classified as fair value through profit and loss account (FVTPL), when they are held for trading purposes, or at amortized cost when they are not held for trading. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognized in statement of profit and loss account.

Financial liabilities classified at amortized cost are initially recorded at their fair value and subsequently measured using the effective profit rate method. Profit expense and foreign exchange gain and losses are recognised in statement of profit and loss account. Any gain or loss on derecognition is also recognised in statement of profit and loss account.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance. The profit / return accrued on financial assets are classified under other assets and the profit expense / payable on financial liabilities are classified under other liabilities wherever applicable in accordance with the format prescribed by SBP.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

6.5.6 Calculation of profit income and expense

Income is recorded in accordance with IFAS 1 and IFAS 2. Furthermore, for other Islamic products income is recorded based on the contractual rate in accordance with the Shari'ah principles.

Profit expense on domestic financial liabilities (comprising deposits and balances due to financial institutions) is recognized on an accrual basis in the period in which it is incurred, based on their contractual rates.

6.5.7 Derecognition

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - (a) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - (b) the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized), and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in the profit and loss account, except that in case of the derecognition of equity securities held at FVOCI, cumulative gains or losses are transferred to unappropriated profit.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

6.5.8 Modification

Financial assets

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value plus any eligible transaction costs.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual financing are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the bank first recalculates the gross carrying amount of the financial asset using the original effective profit rate of the asset with modified terms and recognised the resulting adjustment as a modification gain or loss in profit and loss account.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective profit rate method.

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Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability recognised and consideration paid is recognised in profit and loss account.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective profit rate and the resulting gain or loss is recognised in profit and loss account. For floating-rate financial liabilities, the original effective profit rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective profit rate on the instrument.

6.5.9 Impairment

The impairment requirements apply to financial assets measured at amortized cost and FVOCI (other than equity instruments), lease receivables, and certain financing commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Financial assets where 12-month ECL is recognised are in 'Stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'Stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'Stage 3'.

Non-Performing financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'non-performing', when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, this includes time based criteria and subjective evaluation of the credit worthiness of the borrower.

A financing that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Under the IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Bank is required to calculate ECL on its non-performing financial assets as higher of provision under Prudential Regulations (PR) and ECL under IFRS 9.

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The Bank calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR and ECL under IFRS 9 at borrower/facility level, whereas against the retail borrowers the Bank calculates the ECL at higher of PR and ECL under IFRS 9 at segment/product basis as instructed by SBP under Annexure-A of BPRD Circular no 16 of 2024.

ECL is the probability weighted estimate of expected cash shortfalls which is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). Based on the requirements of IFRS 9 and Application Instructions, the Bank has performed an ECL assessment considering the following key elements:

Probability of default:

The Probability of Default represents the likelihood that a counterparty will default within a specific timeframe, such as 12 months (12-month ECL for Stage 1) or the lifetime of the financial instrument (lifetime ECL for Stage 2). The Bank calculates PD on Islamic financing and related assets which is further bifurcated into retail and non retail portfolios. Following is the methodology through which non retail and retail PD are calculated:

Non-Retail PD:

The Bank utilizes its internal risk rating system to assign Obligor Risk Ratings (ORR) to borrowers. Bank has used a statistical method, for the estimation of Through The Cycle (TTC) PDs associated with each of its Obligor Risk Rating (ORR).

Retail PD:

Bank has used the roll-rate method for retail portfolios based on its different risk characteristics and historical default trends. Bank has used historical data to estimate TTC PD for its retail segments.

Moreover, the Bank calculates Expected Credit Loss (ECL) on investments and balances with other banks by utilizing Probability of Default (PD) data, which tracks corporate credit rating transitions over time. This historical data helps to assess the likelihood of changes in credit worthiness and defaults.

Incorporation of forward-looking information:

Forward looking information is incorporated to convert TTC PD to Point in Time Probability of Default (PiT) PD. The Bank has estimated the PiT PDs in its PD Model. For this purpose, the Bank incorporated 5-year forecasts obtained from the Macro Economic Variable (MEV) database of the International Monetary Fund (IMF).

Exposure at Default (EAD):

The Bank has defined EAD for financial assets carried at an amortized cost equal to principal plus accrued profit at the default date. Each repayment date is assumed to be a default point in the model, and the ECL is calculated on the EAD at each repayment date and discounted at the effective profit rate to arrive at the discounted ECL under three scenarios, i.e., base, worst, and best-case scenarios. The unutilized exposures are multiplied with Credit Conversion Factors (CCFs) to compute the EAD of revolving facilities. For non revolving facilities, CCF is only applied to unutilized exposures when the Bank doesn't have unconditional right to revoke the undrawn portion. Additionally, cash and cash equivalent collateral the Bank holds against non-retail facilities are adjusted from the EAD, and ECL is calculated on the net amount. The Bank has developed CCF models for its revolving and non revolving facilities based on the historical utilization of credit limits which are currently being applied to the revolving portfolio.

Loss Given Default (LGD):

Loss Given Default (LGD) represents the forecasted economic loss in the event of default, calculated independently of credit quality and applied consistently across all stages. LGD is determined as the percentage of loss expected in case of borrower's default, incorporating historical data, cash recovery experience (including settlements), costs and time of recoveries, collateral realizations, and recovery projections. For non-collateralized portfolios, the Bank estimates LGD based on actual recoveries from defaulted accounts over a historical period of 3-5 years prior to the assessment date. Forward-looking information is incorporated into the LGD calculation to reflect the impact of macroeconomic factors on the expected recoveries.

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Purchase or Originated Credit Impaired Financial Assets

Purchase or Originated Credit Impaired (POCI) financial assets are assets that are credit-impaired on initial recognition. Expected credit loss for these assets is not recognized in a separate loss provision on initial recognition, as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognized as a loss allowance after initial recognition is equal to the changes in lifetime ECL since the initial recognition of the asset.

Presentation of allowance for Expected Credit Loss in the Statement of Financial Position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost / cost: as a deduction from the gross carrying amount of the assets.
- financing commitments and financial guarantee contracts: as a provision in Other Assets / Liabilities.
- where a financial instrument includes both a drawn and an undrawn component, and the Bank does not identify the ECL on the financing commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

6.5.10 Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank used several qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or profit payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations. A financial asset is transitioned to a backward stage in line with SBP instructions.

6.5.11 Write-offs

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in the statement of profit and loss account as income.

Financial assets that are written off or charged off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

6.5.12 Off-setting

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements only when the Bank has a legally enforceable right to set off and the Bank intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the unconsolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

6.5.13 Governance, ownership and responsibilities

The Bank has adopted a governance framework requiring multiple functions to effectively work together to ensure input from all business lines. The Risk Department defines the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach.

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Additionally, the Risk department also takes the ownership of the impact of ECL on bank's capital. The Bank's Finance Division performs ECL calculation. As a result, the department then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios.

As per the Bank's policy, the Bank's Internal Audit function carries out periodic review of IFRS 9 methodology and impacts calculated by the Management.

6.5.14 Undrawn financing commitments and guarantees

Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Financing commitments' are firm commitments to provide credit under pre-specified terms and conditions.

When estimating lifetime ECL for undrawn financing commitments, the Bank estimates the expected portion of the financing commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financing are drawn down, based on a probability-weighting of the three scenarios.

6.5.15 Acceptances

Acceptances arise when the Bank is under an obligation to make payments against documents drawn under letters of credit. Acceptances specify the amount of money, the date, and the person to which the payment is due. After acceptance, the instrument becomes an unconditional liability (time draft) of the Bank and is therefore recognized as a financial liability in the statement of financial position with a corresponding contractual right of reimbursement from the customer recognized as a financial asset.

Acceptances have been considered within the scope of IFRS 9 - Financial Instruments for the purpose of calculation of expected credit loss and are valued at amortized cost and continued to be recognized as a financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset.

6.5.16 Wa'ad / Promissory Contracts

Wa'ad / promissory contracts are initially recognized at fair value on the date on which the contract is entered into and are subsequently re-measured to fair value using appropriate valuation techniques. All Wa'ad / promissory contracts are carried as assets when fair value is positive and liability when fair value is negative. Any change in the fair value of Wa'ad / promissory contracts is taken to the profit and loss account.

6.5.17 Impact on regulatory capital

In order to mitigate the impact of ECL models on capital, SBP has determined that it may be appropriate for the banks to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. The transitional arrangement applies only to provisions for stage 1 and stage 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e., added back) to CET1 capital over the "transition period" of five years.

The Bank has applied the transitional arrangement on Regulatory Capital. Had the transitional arrangement not been applied then CAR would have been higher by 10 bps from 14.04% to 14.14%.

The Bank has applied the transitional arrangement on Regulatory Capital. Had the transitional arrangement not been applied then Leverage Ratio would have been lower by 3 bps from 4.66% to 4.63%.

6.6 Investment in associates and subsidiaries

Certain mutual funds are managed by Faysal Asset Management Limited (FAML), the subsidiary company of the Bank. As stipulated under Regulation 38 of Non-Banking Finance Regulation, 2008, the Asset Management Company (AMC) is entrusted with fiduciary duties towards the unit holders of the funds. This fiduciary obligation requires AMC to act in the best interests of its unit holders, refraining from exploiting opportunities for its own benefit or that of its related parties, group companies, or employees, to the detriment of the unit holders.

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The Bank has significant influence over such mutual funds due to participation in the investee's policy-making processes via FAML and investment in such mutual funds is considered as investment in associates. These are not considered subsidiary due to the legal trust structure of the entity, the Bank does not have the ability to affect returns through its power over the investee. Further, under this trust structure, the trusteeship is separate from the management, and the independent trustees play a key role in overseeing the activities of the AMC. The Bank has significant influence over mutual funds due to power to participate in the investee's policy-making processes via the FAML and investment in such mutual funds is considered as investment in associates.

Subsidiaries are all entities over which the Bank has control.

Subsequent measurement of Associates and subsidiaries

Investment in associates and subsidiaries are recorded at cost less accumulated impairment, if any.

Impairment of Investment in associate

In respect of investment in associates, the Bank reviews their carrying values at each reporting date to assess whether there is an indication of impairment. The amount of impairment loss would be determined based on the higher of values in use and fair value less cost to sell. Impairment loss is recognised in the profit and loss account.

6.7 Islamic financing and related assets

6.7.1 Financing is stated net of credit loss allowance and fair value adjustment. The amount of credit loss allowance is charged to the profit and loss account. Financing is written off / charged off in accordance with Bank policy by extinguishing them against the provision held. These write-offs / charged off do not, in any way, prejudice the Bank's right of recovery from these customers. The Bank offers various Islamic financing products the details of which are as follows:

(a) Murabaha

In Murabaha transactions, the Bank purchases the goods and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

(b) Diminishing Musharaka

It is a form of partnership in which the bank and the customers create co-ownership in the assets by purchasing it jointly. The Bank then rents out its share of the assets to the customer. Beside the payment of the rentals, customers also purchase the assets from the bank in installments. Hence at the end of the tenure, customer become sole owner of the assets.

(c) Running Musharaka

In Running Musharakah financing, the Bank will enter into financing with the customer based on Shirkat-ul-Aqd (Business Partnership) in the customer's operating business. Under this mechanism the customer can withdraw and return funds to the Bank subject to its Running Musharakah Financing limit during the Musharakah period. At the end of each quarter / period the customer pays the provisional profit as per the desired profit rate which is subject to final settlement based on the relevant quarterly / half yearly / annual audited accounts of the customer.

(d) Ijarah

Ijarah is a contract whereby the owner of an asset (other than consumables) transfers its usufruct to another person for an agreed period and for an agreed consideration.

Ijarah assets are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged from the date of recognition of ijarah assets on a straight line basis over the period of Ijarah. Impairment of Ijarah assets is determined on the same basis as that of property and equipment.

Ijarah rental income is recognised on an accrual basis as and when the rental becomes due. Impairment of ijarah rental is determined in accordance with the requirements of the Prudential Regulations and other directives issued by the SBP from time to time and charged to the profit and loss account.

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In Service Ijarah financing, the Bank provides financing by acquiring certain agreed services from the customer. After the purchase of services, the Bank appoints the customer to sell these services in the market over a period and provide a sale confirmation of such sale. The profit is only accrued from the date of receipt of such confirmation.

(e) Istisna

Istisna is a mode of sale at an agreed price, whereby the buyer places an order to or cause to manufacture, assemble or construct anything to be delivered at a future date.

The funds disbursed under Istisna are recorded as 'Advance against Istisna'. On execution of goods receiving note and receipt of manufactured goods, the same are recorded in the statement of financial position as inventories of the Bank at cost price and after sale of goods by customer to its ultimate buyers, Istisna financing is recognised.

(f) Musawamah

In Musawamah financing, the Bank purchases the goods and after taking the possession, sells them to customer either in spot or credit transaction, without disclosing the cost.

(g) Salam / Bai Salam

Salam / Bai Salam is a sale transaction where the seller undertakes to supply some specific goods to the buyer at a future date against an advance price fully paid on spot.

The funds disbursed under Salam / Bai Salam are recorded as advances against Salam / Bai Salam. On execution of goods receiving note and receipt of Salam / Bai Salam goods, the same are recorded in the statement of financial position as inventories of the Bank at cost price and after the sale of goods by customer to its ultimate buyers, Salam / Bai Salam financing is recognised.

(h) Tijarah

Tijarah is a financing mode under which the Bank purchases finished goods from the customer / seller against spot payment and delivery. Thereafter, the Bank appoints customer as an agent to sell the Tijarah goods in the market.

The funds disbursed under Tijarah are recorded as advances against Tijarah. On execution of goods receiving note and receipt of Tijarah goods, the same are recorded in the statement of financial position as inventories of the Bank at cost price and after the sale of goods by customer to its ultimate buyers, Tijarah financing is recognised.

(i) Tawarruq

Tawarruq means "to sell a commodity at spot after its purchase on deferred basis to the party other than from whom it was purchased."

In practice "Tawarruq is an arrangement in which bank sells a commodity at a higher price from its market value to the Customer on deferred payment at cost plus profit. The customer, then sells the commodity to a third party on cash with a purpose of having access to liquidity.

(j) Government grants

Government grants are recognized when there is reasonable assurance of receipt and compliance with attached conditions. Asset-related grants are either recorded as deferred income or deducted from the asset's carrying amount, while income grants are systematically recognized in profit or loss. In line with IAS 20, government financing at below-market rates are treated as grants, with the benefit measured as the difference between the financing fair value and the proceeds received. The State Bank of Pakistan (SBP) has introduced temporary refinancing schemes to provide economic relief, which qualify as government grants. These are accounted for by bifurcating the liability into a financial liability under IFRS 9, measured at fair value, and a deferred grant liability representing the benefit received. The deferred grant liability is recognized in statement of financial position, at inception is initially offset against the fair value loss on below market rate financing provided to customers. The remaining portion is subsequently amortized over the tenure of financing, aligning with the unwinding difference between SBP refinance and customer financing.

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(k) Bai Muajjal

In Bai Muajjal financing, the Bank sells Shariah compliant sukuk on credit to customers. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

6.8 Property and equipment and depreciation

(a) Tangible assets

Property and equipment other than land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Buildings are carried at revalued amount less any accumulated depreciation and subsequent impairment losses, if any. Land is carried at revalued amount less any subsequent impairment losses, if any.

Depreciation on property and equipment (excluding land which is not depreciated) is charged using the straight line method in accordance with the rates specified in note 11.2 to these financial statements after taking into account residual value, if significant. The asset's residual values and useful lives are reviewed and adjusted, if required, at each reporting date. Depreciation on additions is charged once the assets become available for use and it stops when the asset is disposed or it is fully depreciated.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repair and maintenance expenditures are charged to the unconsolidated profit and loss account as and when incurred.

Land and buildings are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains / losses on disposal of property and equipment, if any, are taken to the profit and loss account in the period in which these arise except that the related surplus on revaluation of property and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Surplus on revaluation of property and equipment (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

(b) Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when assets become available for use.

6.9 Intangible assets

Intangible assets having definite lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The intangible assets include directly attributable costs that are capitalised as part of the intangible asset. Amortisation, except for customer relationship, is charged by applying the straight-line method over the useful lives of the assets. Amortisation is calculated so as to write-off the assets over their expected economic lives at rates specified in note 13 to these unconsolidated financial statements. Amortisation is charged from when the asset is available for use and stops when the asset is disposed or its fully amortised. The intangible asset comprising customer relationship is being amortised over the life expectancy of the deposits. The residual values and useful lives of intangible assets are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably.

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Intangible assets having an indefinite useful life are stated at acquisition cost less accumulated impairment losses, if any.

Gains and losses on disposals, if any, are taken to the profit and loss account in the period in which these arise.

6.10 Impairment

The carrying amounts of assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If any such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount, except in the case of an intangible asset with an indefinite useful life or an intangible asset not yet available for use and goodwill acquired in a business combination for which impairment is tested annually irrespective of whether there is any indication of impairment. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of asset.

An impairment loss is reversed except for impairment loss relating to goodwill, if there has been a change in the estimate used to determine the recoverable amount. Such reversals are only made to the extent that the asset's carrying amount does not exceed the amount that would have been determined if no impairment loss had been recognised.

6.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current

Provision for current taxation is based on taxable income for the year. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the reporting date.

Prior

The charge / reversals for prior years represent adjustments to the tax charge / reversals for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to the law, made during the current year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Bank also records deferred tax asset on available tax losses. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

6.12 Assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation and accumulated impairment, if any. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying values do not differ materially from their fair values. Legal fee, transfer costs and direct costs of acquiring title to the non-banking assets are charged to the unconsolidated profit and loss account and these are not capitalised as part of non-banking assets. A surplus arising on revaluation of non-banking assets acquired in satisfaction of claims is credited to the 'surplus on revaluation of assets' account. Any deficit arising on revaluation is first

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set off against the surplus account for that particular non-banking asset, if any, or if no surplus exists, is charged to the unconsolidated profit and loss account. These assets are disclosed in other assets as specified by the SBP.

Surplus on revaluation of non-banking assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

6.13 Provisions and contingent assets and liabilities

Provisions are recognised when the Bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

6.14 Staff retirement benefits

a) Defined contribution plan

The Bank operates a contributory provident fund for all its permanent employees to which equal monthly contributions at the rate of 10 percent of basic salary are made both by the Bank and the employees.

b) Defined benefit plan

The Bank operates an approved funded gratuity plan for all its permanent eligible employees and eligible employees who are on contractual service and are employed under non-management cadre. Contributions to the fund are made on the basis of actuarial recommendations.

The Bank's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Projected Unit Credit Method is used for the actuarial valuation.

Amounts arising as a result of Remeasurements, representing the actuarial gains and losses and the differences between the actual investment returns and the return implied by the net return expense are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which these occur.

Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

6.15 Deposits and other accounts

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current accounts' (non-remunerative) and deposits generated on Mudaraba basis are classified as 'Savings deposits' and 'Term deposits'. No profit or loss is passed on to current account depositors, however the funds of current accounts are treated as equity of the Bank for the purpose of profit calculation. Usually no restriction on withdrawals or number of transactions in current and savings accounts. In case of term deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realised in investment pools are distributed in pre-agreed profit-sharing ratio between Rab-ul-Maal and Mudarib. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period.

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the

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depositors (remunerative) according to their ratio of Investments.

Pools are created at the Bank's discretion and the Bank can add, remove or transfer an asset to any other pool in the interests of the deposit holders.

6.16 Pool management

The Bank has maintained the following pools:

- i. 'General Pool' for local and foreign currency deposits;
- ii. 'Islamic Export Refinance Pool';
- iii. 'Interbank Treasury Musharaka Pool' ;
- iv. 'Investment Pool' (Mudarabah based) - LCY & FCY;
- v. 'Saving Pool' (Mudarabah based);
- vi. 'Equity Pool';
- vii. 'Haj Pool';
- viii. 'Treasury Mudarabah Pool';
- ix. 'Pakistan Mortgage Refinance Company Musharakah Pool';
- x. 'Open Market Operation'; and
- xi. 'Mudarabah based Financing Facility'

Key features and risk & reward characteristics of all pools

- The 'General Pool' for both local and foreign currency is catered for all FBL depositors and provide profit / loss based on Mudarabah and Musharaka.
- The Islamic Export Refinance Pool caters the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP.
- The 'Interbank Treasury Musharaka Pool' is to provide Shari'ah compliant mechanism for Interbank Money Market transactions and manage the liquidity position of FBL statement of financial position by creating individual pools against each FBL money market deals.
- The 'Investment Pool' (Mudarabah based) - LCY & FCY pools are created to cater the needs of high net worth clients.
- The saving pools are created to cater the needs of high net worth clients / institutions.
- The equity pool is created to mainly cater the funding requirement of project / long term financing assets during non accrual period.
- The Haj pool is created to give returns to Ministry of religious affairs deposits.
- The Treasury Mudarabah Pool is created to cater the liquidity requirement of the Bank.
- Pakistan Mortgage Refinance Company Musharakah Pool is created to promote expansion of affordable housing finance.
- Shari'ah Compliant Mudarabah Based Open Market Operations (OMO) Pool was created to enhance monetary policy transmission and improve management of market liquidity.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

- Shari'ah Compliant Standing Ceiling Facility Mudarabah based Financing Facility (MFF) Pool was created with a view to provide liquidity management framework for the Bank and enhance the effectiveness of monetary policy implementation. As per the guidelines provided by SBP, MFF shall be available as a standing facility on overnight basis.
- The risk characteristics of each pool mainly depends on the asset and liability profile of each pool.

6.16.1 Profit / (loss) distribution to depositor's pool

Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components:

Gross income generated from relevant assets, calculated at the end of the month is first divided between FBL and investors / depositors in the ratio of FBL equity commingled in a pool on pro rata basis, and then amongst FBL and the depositors as per agreed mudarib fee and weightages declared before start of a month, respectively. All Mudarabah and Musharaka based deposits are fully invested in respective Pools to produce returns for them. In case where the Bank is unable to utilise all funds available for investment, priority is given to the deposit account holders.

All remunerative accounts such as remunerative current accounts, saving accounts, investment certificates, etc. are opened on the basis of Mudarabah, Musharaka, Wakalah or a combination of Mudarabah and Musharaka. The return on these deposits is calculated on the basis of Profit and Loss sharing (PLS). Unless specified, all remunerative local currency and foreign currency deposits are taken as General Mudarabah and Musharaka pool.

Profit share is determined by using weightages and profit sharing ratio assigned to each category of deposit within a pool. These weightages and profit sharing ratios are declared by FBL in compliance with the requirements of the Shari'ah and the SBP.

The allocation (of income and expenses to different pools) is based on pre-defined basis and accounting principles / standards. All expenses pertaining to the assets allocated to the pools are charged to the pool including but not limited to depreciation of Ijarah assets, cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee, documentation charges, brokerage fee for the purchase of securities / commodities, impairment / losses due to physical damages to specific assets in pools, provisions against any non-performing assets, depreciation of Banks own assets. The profit of the pool is shared between the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period.

Effective January 1, 2025, the Minimum Deposit Rate (MDR), mandated by the State Bank of Pakistan (SBP) through IFPD Circular No. 09 of 2024, dated November 26, 2024, ensures a minimum return for eligible saving depositors. This regulation is not applicable to saving deposits sourced from financial institutions, public sector enterprises, and public limited companies.

For eligible PKR saving deposits, FBL ensures a profit payment equivalent to at least 75 percent of the weighted average gross yield of all operational pools, excluding the Open Market Operations (OMOs) and Market Financing Facility (MFF) pools.

Particulars	2025		2024	
	Rupees '000	Percent	Rupees '000	Percent
- Mudarib share amount and percentage of distributable income	49,553,993	43.75	66,194,466	44.18
- Amount and percentage of Mudarib share transferred to depositors through Hiba	35,341,590	71.32	23,759,949	35.89
- Profit rate earned (annualised)	-	13.81	-	18.97
- Profit rate distributed (annualised)	-	7.61	-	11.58

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

6.17 Subordinated Sukuk

Subordinated Sukuk are initially recorded at the amount of proceeds received. Profit on subordinated Sukuk is charged to the unconsolidated profit and loss account over the period on an accrual basis and is recognised separately as part of other liabilities.

6.18 Revenue recognition and other items

- Profit on Murabaha (including Commodity Murabaha) and Musawammah is recognised on an accrual basis.
- Rentals on Ijarah contracts are recognised as income on an accrual basis.
- Profit on Service Ijarah is recognised on an accrual basis commencing from the date of confirmation of sale to its ultimate buyer.
- Profit on Diminishing Musharakah financing is recognised on an accrual basis.
- Profit on Running Musharakah financing is recognised on an accrual basis and is adjusted upon final declaration of profit by Musharakah partners.
- Profit on Istisna / Salam / Bai Salam / Tijarah transactions are recognised on an accrual basis commencing from time of sale of goods till the realisation of sale of proceeds by the Bank.
- Profit on Sukuk is recognised on an accrual basis. Where Sukuk (excluding held for trading securities) are purchased at a premium or discount, those premiums / discounts are amortised through the unconsolidated profit and loss account over the remaining maturity.
- Premium or discount on acquisition of debt investments is capitalised and amortised through the unconsolidated profit and loss account over the remaining period till maturity.
- Dividend income from investments is recognised when the Bank's right to receive the dividend is established.
- Gain or loss on disposal of property and equipment is taken to the unconsolidated profit and loss account in the period in which they arise.
- The Bank earns fee and commission income from a banking service to retail and corporate customer. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

The Bank recognises fees earned on transaction-based arrangements at a point in time when the Bank has provided the service to the customer. Unearned fee and commission are included under other liabilities.

The fees pertaining to banking service to retail and corporate customer are based on schedule of charges reviewed regularly by the Bank.

- Rent and other income is recognised on an accrual basis.
- Profits on Bai Muajjal lendings are recognised on straight line accrual basis.
- Profit suspended in compliance with the Prudential Regulations issued by the SBP is recognised on receipt basis. Profit on rescheduled / restructured financing and investments is recognised as permitted by the SBP.
- Subsidized financing (TERF), staff financing and modified financing classified at amortized cost, is recognized using the effective profit rate (EIR) method. If the financing is at below-market rates, it is initially recognized at fair value. Subsequently, profit income is recorded using EIR.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

6.19 Proposed dividend and transfer between reserves

Dividends and appropriations to reserves, except appropriations which are required by the law, made subsequent to the reporting date are considered as non-adjusting events and are recorded in the unconsolidated financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the reporting period' in the year in which they are approved / transfers are made.

6.20 Foreign currencies

(a) Foreign currency transactions

Foreign currency transactions are recorded in rupees at exchange rates prevailing on the date of transaction. Monetary assets, monetary liabilities and contingencies and commitments in foreign currencies except forward commitments (promises) are reported in Rupees at exchange rates prevalent on the reporting date.

Forward commitments other than those with the SBP relating to the foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange commitments. Forward commitments with the SBP relating to foreign currency deposit, are valued at spot rate prevailing at the reporting date. Exchange gains and losses are included in the current year profit and loss account.

Commitments for outstanding forward foreign exchange transactions are disclosed at the rates applicable at the reporting date. Contingent liabilities / commitments for letters of credit, and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates prevailing on the reporting date.

(b) Translation gains and losses

Translation gains and losses are included in the unconsolidated profit and loss account.

6.21 Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the unconsolidated financial statements at committed amounts. Commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

6.22 Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for in these unconsolidated statement of financial position both as assets and liabilities.

6.23 Earnings per share

The Bank presents basic and diluted Earnings Per Share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

6.24 Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating decision maker. The Chief Executive Officer (CEO) has been identified as the Bank's Chief Operating decision maker.

(a) Business Segments

(i) Retail banking

Retail banking provides services to small borrowers i.e. commercials, consumers, small enterprises, medium enterprises and agriculture sector. It includes financing, deposits, other transactions and balances with retail customers.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

(ii) Corporate and investment banking

This includes strategic partnership with corporate entities to provide working capital financing, trade financing, cash management services, project finance, export finance, leasing, guarantees, bills of exchange, deposits and other short term and long term finance. Further, this includes investment banking activities such as mergers and acquisitions, underwriting, privatisation, securitisation, Initial Public Offerings (IPOs), secondary private placements, etc.

(iii) Treasury and equity capital market (ECM)

It includes fixed income, equity, foreign exchanges, funding, own position securities and placements.

(iv) Special asset management (SAM)

This includes recoveries from borrowers' accounts which became delinquent or have defaulted in their repayment obligations.

(v) Others

It includes functions which cannot be classified in any of the above segments.

(b) Geographical segment

The operations of the Bank are currently based only in Pakistan.

6.25 Provision of claims under guarantees

A provision for claim under guarantees is recognised when intimated and reasonable certainty exists that the Bank will settle the obligation. The charge to the unconsolidated profit and loss account is stated net of expected recoveries as the obligation is recognised in other liabilities.

6.26 Lease liability and right-of-use assets

At the inception of the contract, the Bank assesses whether a contract is, or contains, a lease. The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term.

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate. The Bank cannot readily determine the profit rate implicit in the lease, therefore, it uses its incremental fund acceptance rate to measure lease liabilities.

6.27 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.28 Reserves

Reserves being held by the Bank in these unconsolidated financial statements include the following;

- Non - distributable capital reserve - gain on bargain purchase option (note 3.2).
- Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		28,334,706	28,945,425
- foreign currencies		3,060,148	3,244,750
		31,394,854	32,190,175
With State Bank of Pakistan in			
- local currency current account	7.1	56,191,193	62,834,348
- foreign currency current account	7.2	5,423,183	5,225,598
- foreign currency deposit account	7.3	1,826,938	983,689
		63,441,314	69,043,635
With National Bank of Pakistan in			
- local currency current account		9,023,320	1,304,011
Prize bonds	7.4	-	1,443
Less: Credit loss allowance held against cash and balances with treasury banks (Stage 1)		(1,652)	(1,687)
Cash and balances with treasury banks - net of credit loss allowance		103,857,836	102,537,577

- 7.1** These represent local currency current accounts maintained with the SBP as per the requirements of Section 36 of the State Bank of Pakistan Act, 1956. This section requires banking companies to maintain a local currency cash reserve in a current account with the SBP at a sum not less than such percentage of the Bank's time and demand liabilities in Pakistan as may be prescribed by the SBP.
- 7.2** These represent cash reserve of 5% maintained with the SBP in US dollars current accounts on deposits held under the New Foreign Currency Accounts (FE-25 deposits) as per BSD Circular No. 14 and 15 dated June 21, 2008.
- 7.3** These mainly represent local US dollars clearing account maintained with the SBP to facilitate US dollars clearing and 6% special cash reserve requirement on FE-25 deposits maintained by Islamic Banking Branches under the requirements of BSD Circular No.15 dated June 21, 2008. Profit rate on these balances is Nil (2024 : Nil) per annum which is notified on monthly basis by SBP.
- 7.4** These represent the national prize bonds received from customers for onward surrendering to SBP. The Bank as a matter of Shari'ah principle, does not deal in prize bonds.

	2025	2024
-----Rupees '000-----		
8 BALANCES WITH OTHER BANKS		
In Pakistan		
- in current account	170,195	13,906
Outside Pakistan		
- in current account	6,562,504	5,525,561
Less: Credit loss allowance held against balances with other banks (Stage 1)	(42)	(3)
Balances with other banks - net of credit loss allowance	6,732,657	5,539,464

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

9	INVESTMENTS	Note	2025				2024			
			Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
9.1	Investments by type:		Rupees '000							
Debt Instruments										
Classified / Measured at amortised cost										
	Non Government debt securities		5,439,341	(3)	-	5,439,338	8,214,351	(1,405,081)	-	6,809,270
			5,439,341	(3)	-	5,439,338	8,214,351	(1,405,081)	-	6,809,270
Classified / Measured at FVOCI										
	Federal Government securities		604,610,921	-	6,619,069	611,229,990	586,829,381	-	20,573,146	607,402,527
	Non Government debt securities		2,559,951	(1,303,626)	(11,803)	1,244,522	47,570,932	(1,321,184)	1,631,343	47,881,091
			607,170,872	(1,303,626)	6,607,266	612,474,512	634,400,313	(1,321,184)	22,204,489	655,283,618
Classified / Measured at FVPL										
	Federal Government securities		874,982	-	-	874,982	2,624,853	-	-	2,624,853
			874,982	-	-	874,982	2,624,853	-	-	2,624,853
Equity instruments										
Classified / Measured at FVOCI										
	Shares									
	Listed companies		8,427,386	-	917,110	9,344,496	7,645,244	-	2,446,681	10,091,925
	Unlisted companies	6.1	724,666	-	3,386,719	4,111,385	743,916	-	(676,230)	67,686
			9,152,052	-	4,303,829	13,455,881	8,389,160	-	1,770,451	10,159,611
Associates *										
	Faysal Islamic Savings Growth Fund	9.5	205,151	-	-	205,151	205,151	-	-	205,151
	Faysal Halal Amdani Fund		150,000	-	-	150,000	150,000	-	-	150,000
			355,151	-	-	355,151	355,151	-	-	355,151
Subsidiaries *										
	Faysal Asset Management Limited	9.5	1,139,893	-	-	1,139,893	1,139,893	-	-	1,139,893
	Faysal Islami Currency Exchange Company (Private) Limited		1,200,000	-	-	1,200,000	1,000,000	-	-	1,000,000
			2,339,893	-	-	2,339,893	2,139,893	-	-	2,139,893
Total Investments										
			625,332,291	(1,303,629)	10,911,095	634,939,757	656,123,721	(2,726,265)	23,974,940	677,372,396

* related parties

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

Note	2025			2024				
	Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees '000								
Investments by segments								
Federal Government securities								
9.2.1	604,610,921	-	6,619,069	611,229,990	586,829,381	-	20,573,146	607,402,527
9.2.2	874,982	-	-	874,982	2,624,853	-	-	2,624,853
	605,485,903	-	6,619,069	612,104,972	589,454,234	-	20,573,146	610,027,380
Shares								
	8,427,386	-	917,110	9,344,496	7,645,244	-	2,446,681	10,091,925
6.1	724,666	-	3,386,719	4,111,385	743,916	-	(676,230)	67,686
	9,152,052	-	4,303,829	13,455,881	8,389,160	-	1,770,451	10,159,611
Non Government debt securities								
9.2.3	-	-	-	-	45,000,000	(937)	1,647,000	46,646,063
	7,999,292	(1,303,629)	(11,803)	6,683,860	10,785,283	(2,725,328)	(15,657)	8,044,298
	7,999,292	(1,303,629)	(11,803)	6,683,860	55,785,283	(2,726,265)	1,631,343	54,690,361
Associates *								
9.5	205,151	-	-	205,151	205,151	-	-	205,151
	150,000	-	-	150,000	150,000	-	-	150,000
	355,151	-	-	355,151	355,151	-	-	355,151
Subsidiaries *								
9.5	1,139,893	-	-	1,139,893	1,139,893	-	-	1,139,893
	1,200,000	-	-	1,200,000	1,000,000	-	-	1,000,000
	2,339,893	-	-	2,339,893	2,139,893	-	-	2,139,893
Total Investments								
	625,332,291	(1,303,629)	10,911,095	634,939,757	656,123,721	(2,726,265)	23,974,940	677,372,396
* related parties								

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

9.2.1 GoP Ijara Sukuks have tenure ranging from 3 to 10 years. The Bank's return on these instruments ranges from 7.83% to 22.92% per annum (2024: 6.36% to 23.08% per annum) with maturities from June 2026 to October 2034.

9.2.2 The Bank has invested in PKR and foreign currency denominated Mudarabah based pools maintained by the Islamic Naya Pakistan Certificate Company Limited (INPCCL), a special purpose vehicle formed by the Government of Pakistan. As at December 31, 2025, the Bank's investment in PKR, USD, EURO and GBP denominated pools amounted to Rs. 309.124 million (2024: Rs. 771.724 million), USD 1.015 million with PKR equivalent of Rs 284.336 million (2024: Rs. 1,314.365 million), EURO 0.352 million with PKR equivalent of Rs.115.896 million (2024: Rs 112.567 million) and GBP 0.439 million with PKR equivalent of Rs. 165.626 million (2024: Rs. 426.197 million) respectively. The actual profit rates on these pools are calculated in line with the Islamic principle of Mudarabah and communicated to the Bank at the end of each month. The profit earned by the Bank on these investment pools during the year ranging from 9.5% to 17% for PKR denominated pool, 4.5% to 5.75% for USD denominated pool, 5.25% for GBP denominated pool and 3% to 4% EURO denominated pool. These investments are perpetual in nature and have no fixed maturity.

9.2.3 These include Sukuks having tenures ranging from 4 to 11 years. The Bank's return on these instruments ranges from 11.19% to 14.73% per annum (2024: 13.32% to 18.71% per annum) with maturities up to December 2032.

	2025	2024
	-----Rupees '000-----	
9.3 Investments given as collateral - at market value		
Federal Government Securities		
- Ijarah Sukuks	63,725,560	128,477,500
9.4 Particulars of credit loss allowance		
9.4.1 Opening balance	2,726,265	3,834,242
Impact of adopting IFRS 9 as at January 1,	-	(920,972)
Restated balance as at January 1,	2,726,265	2,913,270
Charge / (reversals)		
Charge for the year	-	99
Reversals for the year	(6,583)	(182,783)
Reversals on disposals	(1,058,478)	(4,321)
	(1,065,061)	(187,005)
Transfers - net	(357,575)	-
Closing balance	1,303,629	2,726,265

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees '000-----					
9.4.2 Investments - exposure						
Opening balance	639,476,165	-	3,138,499	-	-	-
Impact of adopting IFRS 9 as at January 1,	-	-	-	574,797,431	1,562,000	1,928,685
Restated balance as at January 1,	639,476,165	-	3,138,499	574,797,431	1,562,000	1,928,685
New investments / Increase	516,952,157	-	-	163,448,226	-	-
Investments derecognised or repaid	(545,540,555)	-	(1,416,053)	(98,769,492)	(347,865)	(4,321)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	(1,214,135)	1,214,135
	(28,588,398)	-	(1,416,053)	64,678,734	(1,562,000)	1,209,814
Amounts written off / charged Off	-	-	-	-	-	-
Closing balance	610,887,767	-	1,722,446	639,476,165	-	3,138,499

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

2025			2024		
Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3

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

9.4.3 Investments - credit loss allowance

Opening balance	996	-	2,725,269	-	-	-
Impact of adopting IFRS 9 as at January 1,	-	-	-	1,873	982,712	1,928,685
Balance / Restated balance as at January 1,	996	-	2,725,269	1,873	982,712	1,928,685
New investments	-	-	-	-	-	74,665
Investments derecognised or repaid	(940)	-	(1,416,053)	-	(181,807)	-
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	(800,905)	800,905
	(940)	-	(1,416,053)	-	(982,712)	875,570
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs)	(25)	-	(5,618)	(877)	-	(78,986)
Closing balance	31	-	1,303,598	996	-	2,725,269

9.4.4 Particulars of credit loss allowance against debt securities

		2025		2024	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

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

Category of classification

Domestic

Performing	Stage 1	610,887,767	31	639,476,165	996
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	1,214,135	800,905
Loss		1,722,446	1,303,598	1,924,364	1,924,364
Total		612,610,213	1,303,629	642,614,664	2,726,265

9.4.5 As allowed by the SBP, the Bank has availed benefit of forced sale value (FSV) of collaterals held as security of Rs 418.848 million (December 31, 2024: Nil) related to investment while determining the provisioning requirement against non-performing investment as at December 31, 2025. The additional profit arising from availing the FSV benefit (net of tax) as at December 31, 2025 which is not available for distribution as either cash or stock dividend to shareholders approximately amounted to Rs 196.859 million (December 31, 2024: Nil).

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

9.5 Investment in subsidiaries and associates

Note	As at December 31, 2025				For the year ended December 31, 2025		
	Country of incorporation	% Holding	Assets	Liabilities	Revenue	Profit	Total comprehensive income

Rupees '000

Associates

Faysal Islamic Savings Growth Fund		Pakistan	3.51	5,860,525	18,515	339,678	271,669	271,669
Faysal Halal Amdani Fund		Pakistan	0.28	54,123,286	159,752	5,286,228	4,436,833	4,436,833

Subsidiaries

Faysal Asset Management Limited	9.5.1	Pakistan	99.99	4,000,666	499,070	3,151,496	900,164	882,390
Faysal Islami Currency Exchange Company (Private) Limited	9.5.2	Pakistan	100	1,203,573	95,281	141,769	(117,143)	(117,143)

Country of incorporation	% Holding	As at December 31, 2024		Assets	Liabilities	For the year ended December 31, 2024		
						Revenue	Profit	Total comprehensive income

Rupees '000

Associates

Faysal Islamic Savings Growth Fund		Pakistan	16.26	1,402,941	13,345	346,540	305,339	305,339
Faysal Halal Amdani Fund		Pakistan	0.23	66,801,085	332,829	12,593,142	11,515,323	11,515,323

Subsidiaries

Faysal Asset Management Limited	9.5.1	Pakistan	99.99	3,309,808	690,603	2,583,131	845,636	838,605
Faysal Islami Currency Exchange Company (Private) Limited	9.5.2	Pakistan	100	1,040,550	10,041	8,937	30,509	30,509

9.5.1 Faysal Asset Management Limited (the Company) was incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on August 6, 2003 as an unlisted public limited company. The Company commenced its operations on November 14, 2003. The Company is a Non-Banking Finance Company (NBFC). The Company has obtained a license to carry out asset management and investment advisory services under the requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

9.5.2 Faysal Islami Currency Exchange Company (Private) Limited was incorporated in Pakistan on January 16, 2024 under the Companies Act, 2017 ('the Act'). The registered office of the Company is situated at ST-02, Faysal House, Sharah-e-Faisal, Karachi. The principal activities of the Company are to buy and sell foreign exchange. The Company has received operational license from State Bank of Pakistan on March 26, 2024. As at December 31, 2025. The Company operates with 48 booths and 2 Branches. (December 31, 2024 : 15 booths and nil branches)

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

9.6 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model.

Federal Government securities - Government guaranteed

Ijarah Sukuks

2025	2024
Cost	
-----Rupees '000-----	

604,610,921	586,829,381

2025	2024
Cost	
-----Rupees '000-----	

Shares

Listed companies

Oil and gas exploration company
 Oil and gas marketing company
 Cement
 Power generation and distribution
 Fertilizer
 Commercial banks
 Refinery
 Automobile Assembler
 Investment banks / investment companies / securities
 Pharmaceuticals
 Textile composite
 Engineering
 Food & personal care products
 Real estate
 Textile spinning
 Textile weaving
 Vanaspati and allied industries
 Glass and ceramics
 Chemical
 Cable & Electrical Goods
 Synthetic & Rayon
 Paper & Board
 Miscellaneous

1,946,478	2,126,728
1,263,128	807,461
1,201,278	1,682,440
1,151,097	450,867
1,146,247	971,105
575,631	-
309,696	238,699
194,693	145,546
167,319	12,528
167,166	209,380
133,403	112,060
99,816	13
49,129	-
16,372	16,372
4,362	4,362
1,271	1,271
243	243
38	38
3	631,767
-	146,111
-	45,040
-	43,197
16	16
8,427,386	7,645,244

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

Unlisted companies

1Link (Private) Limited
Al Hamra Avenue (Private) Limited
Al Hamra Hills (Private) Limited
DHA Cogen (Private) Limited
Himont Chemical
Pace Barka Properties Limited
Pakistan Export Finance Guarantee
Naymat Collateral Management
ISE Towers REIT Management Company
Pakistan Corporate Restructuring
Company Limited

2025		2024	
Cost	Fair Value	Cost	Breakup value
-----Rupees '000-----			
50,000	4,041,700	50,000	1,182,173
265,938	-	265,938	N/A
5	-	5	N/A
325,000	-	325,000	N/A
1,037	-	1,037	N/A
52,000	-	52,000	N/A
5,686	-	5,686	N/A
25,000	-	25,000	5,715
-	69,685	-	62,264
-	-	19,250	11,829
724,666	4,111,385	743,916	1,261,981

Non Government debt securities

Note

2025

2024

Cost

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

Listed

- Unrated

Unlisted

- AAA
- AA+, AA, AA-
- A+, A, A-
- BB
- B+, B, B-
- Unrated

-	45,000,000
750,000	750,000
89,000	89,000
-	-
-	-
1,214,135	1,214,135
506,816	517,797
2,559,951	2,570,932

9.7 Securities classified Under "Held to Collect" model

Details regarding quality of securities held under "Held to Collect" model.

Non Government debt securities

Unlisted

- AAA
- Unrated

9.7.2

5,439,341	6,809,278
-	1,405,073
5,439,341	8,214,351

9.7.1 The market value of securities classified as held-to-collect as at December 31, 2025 amounted to Rs. 5,457 million (December 31, 2024: Rs. 6,818 million).

9.7.2 This represents investment in Neelum Jhelum Hydropower Company (Private) Limited and Water and Power Development Authority sukuks, wholly owned by the Government of Pakistan. These Sukuks are guaranteed by the Government of Pakistan.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

10 ISLAMIC FINANCING AND RELATED ASSETS - NET

Note	Performing / Under performing		Non-performing		Total	
	2025	2024	2025	2024	2025	2024
----- Rupees '000 -----						
Murabaha financing and related assets						
Murabaha financing	116,167,475	16,772,851	190,287	128,898	116,357,762	16,901,749
Advance against Murabaha financing	11,857,832	8,809,831	5,000	14,687	11,862,832	8,824,518
Inventory related to Murabaha	2,518,392	2,558,743	-	-	2,518,392	2,558,743
	130,543,699	28,141,425	195,287	143,585	130,738,986	28,285,010
Running Musharaka	196,818,764	235,138,286	-	-	196,818,764	235,138,286
Istisna financing and related assets						
Istisna	31,370,984	34,068,949	1,297,882	1,896,048	32,668,866	35,964,997
Advance against Istisna	23,482,370	23,683,828	475,128	298,335	23,957,498	23,982,163
Inventory related to Istisna	66,164,399	30,242,203	399,600	1,122,330	66,563,999	31,364,533
	121,017,753	87,994,980	2,172,610	3,316,713	123,190,363	91,311,693
Tijarah financing and related assets						
Tijarah	7,651,493	3,928,174	451,222	409,720	8,102,715	4,337,894
Advance against Tijarah	9,398,391	3,810,688	-	88,000	9,398,391	3,898,688
Inventory related to Tijarah	33,854,904	10,780,109	-	-	33,854,904	10,780,109
	50,904,788	18,518,971	451,222	497,720	51,356,010	19,016,691
Musawamah financing and related assets						
Musawamah	7,220,734	4,559,401	284,914	184,088	7,505,648	4,743,489
Advance against Musawamah	910	735	-	-	910	735
Inventory related to Musawamah	1,080	345	-	-	1,080	345
	7,222,724	4,560,481	284,914	184,088	7,507,638	4,744,569
Salam financing and related assets						
Salam	-	-	1,200	1,200	1,200	1,200
Advance against Salam	10,206,680	10,100,000	-	-	10,206,680	10,100,000
	10,206,680	10,100,000	1,200	1,200	10,207,880	10,101,200
Diminishing Musharaka financing and related assets						
Diminishing Musharaka	305,093,102	230,599,744	7,167,434	6,616,512	312,260,536	237,216,256
Advance against Diminishing Musharaka	14,165,707	9,064,745	4,465	335,000	14,170,172	9,399,745
	319,258,809	239,664,489	7,171,899	6,951,512	326,430,708	246,616,001
Wakala Istithmar	-	6,302,669	-	-	-	6,302,669
Tawarruq	25,398,697	18,880,445	400,648	248,336	25,799,345	19,128,781
Musharaka	-	7,473	193	731	193	8,204
Bai Muajjal	24,850,196	-	-	-	24,850,196	-
Bai salam	245,254	579,527	-	-	245,254	579,527
Islamic financing and related assets - Gross	886,467,364	649,888,746	10,677,973	11,343,885	897,145,337	661,232,631
Other financing	271,434	734,485	9,758,949	12,991,197	10,030,383	13,725,682
Gross Financing	886,738,798	650,623,231	20,436,922	24,335,082	907,175,720	674,958,313
Fair value loss	(15,421,685)	(16,420,585)	-	-	(15,421,685)	(16,420,585)
	871,317,113	634,202,646	20,436,922	24,335,082	891,754,035	658,537,728
Credit loss allowance against financing						
Stage 1	(1,445,978)	(906,457)	-	-	(1,445,978)	(906,457)
Stage 2	(619,145)	(2,034,675)	-	-	(619,145)	(2,034,675)
Stage 3	-	-	(17,690,209)	(21,687,048)	(17,690,209)	(21,687,048)
	(2,065,123)	(2,941,132)	(17,690,209)	(21,687,048)	(19,755,332)	(24,628,180)
Financing - net of credit loss allowance	869,251,990	631,261,514	2,746,713	2,648,034	871,998,703	633,909,548

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
10.1 Murabaha receivable - gross	10.1.2	118,282,002	17,675,934
Less: Deferred murabaha income	10.1.3	(543,057)	(474,640)
Profit receivable shown in other assets		(1,381,183)	(299,545)
Murabaha financing	10.1.1	116,357,762	16,901,749
10.1.1 The movement in Murabaha financing during the year is as follows:			
Opening balance		16,901,749	38,451,305
Sales during the year		465,355,168	158,526,120
Adjusted during the year		(365,899,155)	(180,075,676)
Closing balance		116,357,762	16,901,749
10.1.2 Murabaha sale price		118,282,002	17,675,934
Murabaha purchase price		(116,357,763)	(16,901,749)
		1,924,239	774,185
10.1.3 Deferred murabaha income			
Opening balance		474,640	29,223
Arising during the year		7,175,379	5,058,731
Less: recognised during the year		(7,106,962)	(4,613,314)
Closing balance		543,057	474,640
10.2 Particulars of Islamic financing and related assets - Gross			
- in local currency		870,010,089	663,438,554
- in foreign currencies		37,165,631	11,519,759
		907,175,720	674,958,313
10.3 Financing to Women, Women-owned and Managed Enterprises			
Women		6,705,174	4,608,382
Women Owned and Managed Enterprises		593,017	804,313
		7,298,191	5,412,695
10.3.1 Gross financing disbursed to women, women-owned and managed enterprises during the year is Rs. 15,115.704 million (December 31, 2024 : Rs. 13,854.184 million)			
10.4 Islamic financing and related assets include Rs. 20,436.922 million (December 31, 2024: Rs. 24,335.082 million) which have been placed under non-performing / Stage 3 status as detailed below:			

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

Category of classification in stage 3	2025		2024	
	Non-performing financing	Credit loss allowance	Non-performing financing	Credit loss allowance
Rupees '000				
Domestic				
- other assets especially mentioned	211,564	-	300,209	1,545
- substandard	1,170,385	392,905	1,229,356	637,774
- doubtful	2,042,432	1,280,914	2,615,793	1,593,190
- loss	17,012,541	16,016,390	20,189,724	19,454,539
Total	20,436,922	17,690,209	24,335,082	21,687,048

10.5 Islamic financing and related assets - Particulars of credit loss allowance

Note	2025				2024					
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total
Rupees '000										
Opening balance	906,457	2,034,675	21,687,048	24,628,180	-	-	-	19,172,592	877,670	20,050,262
Impact of adopting IFRS 9	-	-	-	-	936,972	5,264,393	20,954,552	(19,172,592)	(877,670)	7,105,655
Balance / Restated balance	906,457	2,034,675	21,687,048	24,628,180	936,972	5,264,393	20,954,552	-	-	27,155,917
Exchange adjustment	-	-	7,497	7,497	-	-	(9,663)	-	-	(9,663)
Charge for the year	1,173,185	203,785	1,067,905	2,444,875	529,876	990,613	3,373,969	-	-	4,894,458
Reversals during the year	(633,664)	(1,619,315)	(3,732,662)	(5,985,641)	(560,391)	(4,220,331)	(2,149,262)	-	-	(6,929,984)
	539,521	(1,415,530)	(2,664,757)	(3,540,766)	(30,515)	(3,229,718)	1,224,707	-	-	(2,035,526)
Amounts written-off - net	10.9.1	-	-	(16,613)	(16,613)	-	-	(4,783)	-	(4,783)
Amounts charged-off - net	10.12	-	-	(1,322,966)	(1,322,966)	-	-	(477,765)	-	(477,765)
Closing balance	1,445,978	619,145	17,690,209	19,755,332	906,457	2,034,675	21,687,048	-	-	24,628,180

10.5.1 Credit loss allowance for Stage 1 and Stage 2 represents credit loss allowance maintained against performing and under-performing portfolio respectively as required under IFRS 9.

10.5.2 Particulars of credit loss allowance against Islamic financing and related assets in respect of currencies:

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rupees '000								
In local currency	1,443,450	617,893	17,023,408	19,084,751	901,561	2,033,007	21,027,745	23,962,313
In foreign currencies	2,528	1,252	666,801	670,581	4,896	1,668	659,303	665,867
	1,445,978	619,145	17,690,209	19,755,332	906,457	2,034,675	21,687,048	24,628,180

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

10.5.3 As allowed by the SBP, the Bank has availed benefit of forced sale value (FSV) of collaterals held as security of Rs 806.350 million (December 31, 2024: Rs 771.625 million) related to financing while determining the provisioning requirement against non-performing financing as at December 31, 2025. The additional profit arising from availing the FSV benefit (net of tax) as at December 31, 2025 which is not available for distribution as either cash or stock dividend to shareholders approximately amounted to Rs 378.985 million (December 31, 2024: Rs 354.947 million). *The write-offs do not, in any way, prejudice the Bank's right of recovery from these customers.

10.6 Islamic financing and related assets - Gross Exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
----- Rupees '000-----						
Opening balance	556,637,934	93,985,297	24,335,082	-	-	-
Impact of adopting IFRS 9	-	-	-	519,072,926	58,629,011	23,059,641
Balance / Restated balance	556,637,934	93,985,297	24,335,082	519,072,926	58,629,011	23,059,641
New financing	684,791,440	5,795,462	-	254,141,496	39,054,512	-
Financing derecognised or repaid	(401,610,371)	(52,102,217)	(3,324,825)	(197,118,005)	(19,305,771)	(2,083,286)
Transfer to stage 1	35,321,919	(35,321,919)	-	628	(628)	-
Transfer to stage 2	(414,761)	666,867	(252,106)	(18,009,404)	18,075,380	(65,976)
Transfer to stage 3	(770,833)	(240,020)	1,010,853	(1,449,707)	(2,467,207)	3,916,914
	317,317,394	(81,201,827)	(2,566,078)	37,565,008	35,356,286	1,767,652
Amounts written-off	-	-	(16,613)	-	-	(4,783)
Amounts charged-off	-	-	(1,322,966)	-	-	(477,765)
Exchange adjustment	-	-	7,497	-	-	(9,663)
Closing balance	873,955,328	12,783,470	20,436,922	556,637,934	93,985,297	24,335,082

10.7 Islamic financing and related assets - Credit loss allowance

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
----- Rupees '000-----						
Opening balance	906,457	2,034,675	21,687,048	-	-	-
Impact of adopting IFRS 9	-	-	-	936,972	5,264,393	20,954,552
Balance / Restated balance	906,457	2,034,675	21,687,048	936,972	5,264,393	20,954,552
New Financing	1,009,355	175,919	-	805,133	191,006	1,725,492
Financing derecognised or repaid	(922,693)	(987,043)	(2,657,347)	(241,527)	(1,670,418)	(2,147,246)
Transfer to stage 1	594,583	(593,238)	(1,345)	31	(31)	-
Transfer to stage 2	(5,394)	29,051	(23,657)	(457,946)	459,962	(2,016)
Transfer to stage 3	(6,811)	(12,033)	18,844	(16,394)	(1,872,697)	1,889,091
	669,040	(1,387,344)	(2,663,505)	89,297	(2,892,178)	1,465,321
Amounts written off	-	-	(16,613)	-	-	(4,783)
Amounts charged off	-	-	(1,322,966)	-	-	(477,765)
Changes in risk parameters (PD/LGD)	(129,519)	(28,186)	(1,252)	(119,812)	(337,540)	(240,614)
Exchange adjustment	-	-	7,497	-	-	(9,663)
Closing balance	1,445,978	619,145	17,690,209	906,457	2,034,675	21,687,048

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

10.8 Islamic financing and related assets - Credit loss allowance details Internal / External rating / stage classification

Outstanding gross exposure

Performing - Stage 1

Under Performing - Stage 2

Non-performing - Stage 3

Other assets especially mentioned

Substandard

Doubtful

Loss

Total

2025		2024	
Outstanding Amount	ECL	Outstanding Amount	ECL
----- Rupees '000-----			
873,955,328	1,445,978	556,637,934	906,457
12,783,470	619,145	93,985,297	2,034,675
211,564	-	300,209	1,545
1,170,385	392,905	1,229,356	637,774
2,042,432	1,280,914	2,615,793	1,593,190
17,012,541	16,016,390	20,189,724	19,454,539
20,436,922	17,690,209	24,335,082	21,687,048
907,175,720	19,755,332	674,958,313	24,628,180

10.9 Particulars of write-offs

10.9.1 Against credit loss allowance

Directly charged to profit and loss account

10.9.2 Write-offs of Rs. 500,000 and above*

- domestic

Write-offs of below Rs. 500,000 - domestic*

Note

2025

2024

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

10.5	16,613	4,783
33	9,014	12,758
	25,627	17,541
10.11	18,615	825
	7,012	16,716
	25,627	17,541

*The write-offs do not, in any way, prejudice the Bank's right of recovery from these customers.

10.10 Fair value loss pertains to SBP subsidized financing, subsidized staff financing and modified financing amounting to Rs. 5,590.294 million , Rs. 6,689.029 million and 3,142.362 million respectively.

10.11 Details of financing written-off of Rs. 500,000/- and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off financing or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2025 is given in Annexure - I to these unconsolidated financial statements. The write-offs (including written-off amount less than Rs. 500,000/-) do not, in any way, prejudice the Bank's right of recovery from these customers.

10.12 Charged-off Financing

Particulars	2025		2024	
	No. of Borrowers	Rupees '000	No. of Borrowers	Rupees '000
----- Rupees '000-----				
Opening Balance of charged-offs	38,953	6,578,101	65,561	6,337,971
Charge-off during the year	5,095	1,326,293	3,552	525,797
Sub-total	44,048	7,904,394	69,113	6,863,768
Less : Recoveries made during the year against already charged-off cases	4,103	284,598	29,341	251,891
Less : Amount written off from already charged off financing	107	5,335	819	33,776
Closing Balance of charge-offs	39,838	7,614,461	38,953	6,578,101

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
11 PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	4,626,868	6,661,796
Property and equipment	11.2	48,370,323	38,049,256
		<u>52,997,191</u>	<u>44,711,052</u>
11.1 Capital work-in-progress			
Civil works		882,572	678,866
Equipment		2,248,460	3,686,465
Furniture and fixture		516,134	787,138
Vehicles		327,181	1,188,023
Building		652,521	321,304
		<u>4,626,868</u>	<u>6,661,796</u>
11.2 Property and equipment			

2025								
Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold property and improvement	Total

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

At January 1, 2025

Cost / revalued amount	3,945,159	10,489,938	868,628	6,909,635	2,364,410	16,437,460	4,276,718	8,968,882	54,260,830
Accumulated depreciation	-	-	107,574	627,009	1,271,895	9,900,081	414,260	3,890,755	16,211,574
Net book value	<u>3,945,159</u>	<u>10,489,938</u>	<u>761,054</u>	<u>6,282,626</u>	<u>1,092,515</u>	<u>6,537,379</u>	<u>3,862,458</u>	<u>5,078,127</u>	<u>38,049,256</u>

Year ended December 31, 2025

Opening net book value	3,945,159	10,489,938	761,054	6,282,626	1,092,515	6,537,379	3,862,458	5,078,127	38,049,256
Additions	-	2,031,222	37,562	613,602	730,883	4,548,348	3,444,478	2,310,545	13,716,640
Transfer from non-banking assets (note 14.1.1)	-	-	94,578	-	-	-	-	-	94,578
Movement in surplus on assets revalued during the year	98,125	314,404	314,469	1,459,618	-	-	-	-	2,186,616
Disposals	-	-	-	(6,464)	(3,321)	(9,517)	(660,642)	(4,368)	(684,312)
Depreciation charge (note 31)	-	-	(49,255)	(319,814)	(213,929)	(2,470,487)	(971,199)	(967,771)	(4,992,455)
Other adjustments / transfers	40,000	-	75,023	213,409	(294)	992	(2,265)	(326,865)	-
Closing net book value	<u>4,083,284</u>	<u>12,835,564</u>	<u>1,233,431</u>	<u>8,242,977</u>	<u>1,605,854</u>	<u>8,606,715</u>	<u>5,672,830</u>	<u>6,089,668</u>	<u>48,370,323</u>

At December 31, 2025

Cost / revalued amount	4,083,284	12,835,564	1,233,431	8,242,977	3,033,954	19,655,043	6,926,713	10,910,686	66,921,652
Accumulated depreciation	-	-	-	-	1,428,100	11,048,328	1,253,883	4,821,018	18,551,329
Net book value	<u>4,083,284</u>	<u>12,835,564</u>	<u>1,233,431</u>	<u>8,242,977</u>	<u>1,605,854</u>	<u>8,606,715</u>	<u>5,672,830</u>	<u>6,089,668</u>	<u>48,370,323</u>

Rate of depreciation (%)	-	-	2%-11%	2%-20%	10%	5%-50%	20%	10%-20%	

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

2024								
Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold property and improvement	Total

Rupees '000-

At January 1, 2024

Cost / revalued amount	3,773,600	7,908,776	806,796	5,716,428	1,885,937	11,518,797	521,978	6,274,605	38,406,917
Accumulated depreciation	-	-	52,255	298,156	1,133,272	8,041,791	216,643	3,225,204	12,967,321
Net book value	3,773,600	7,908,776	754,541	5,418,272	752,665	3,477,006	305,335	3,049,401	25,439,596

Year ended December 31, 2024

Opening net book value	3,773,600	7,908,776	754,541	5,418,272	752,665	3,477,006	305,335	3,049,401	25,439,596
Additions	171,559	2,581,162	23,531	1,193,208	480,959	4,935,605	3,757,059	2,716,156	15,859,239
Transfer from non-banking assets (note 14.1.1)	-	-	36,827	-	-	-	-	-	36,827
Disposals	-	-	-	-	(217)	(2,513)	(574)	(378)	(3,682)
Depreciation charge	-	-	(53,845)	(328,890)	(142,065)	(1,876,380)	(199,363)	(682,181)	(3,282,724)
Other adjustments / transfers	-	-	-	36	1,173	3,661	1	(4,871)	-
Closing net book value	3,945,159	10,489,938	761,054	6,282,626	1,092,515	6,537,379	3,862,458	5,078,127	38,049,256

At December 31, 2024

Cost / revalued amount	3,945,159	10,489,938	868,628	6,909,635	2,364,410	16,437,460	4,276,718	8,968,882	54,260,830
Accumulated depreciation	-	-	107,574	627,009	1,271,895	9,900,081	414,260	3,890,755	16,211,574
Net book value	3,945,159	10,489,938	761,054	6,282,626	1,092,515	6,537,379	3,862,458	5,078,127	38,049,256

Rate of depreciation (%)	-	-	2%-11%	2%-20%	10%	14%-50%	20%	10%-20%	

11.2.1 The cost of fully depreciated property and equipment that are still in the Bank's use is as follows:

	2025	2024
	Rupees '000-	
Furniture and fixture	771,415	805,440
Electrical, office and computer equipment	6,579,834	6,887,470
Vehicles	171,207	184,998
Leasehold property and improvement	1,903,185	1,736,513
Building on leasehold land	-	99,000
Building on freehold land	-	17,000
	9,425,641	9,730,421

11.2.2 During the year, the Bank has transferred a property from non-banking assets to property and equipment having book value of Rs 94.578 million.

11.2.3 The Bank's freehold / leasehold land and buildings on freehold / leasehold land has been revalued by Joseph Lobo Co. (Private) Limited, Indus Surveyors (Pvt) Limited and KG Trades (Pvt) Limited on December 31, 2025 on the basis of professional assessments of the market value. The revaluations resulted in a surplus of Rs 2,186.616 million over the book value.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

11.2.4 During the year, the management of the Bank has revised its estimate of the useful life of UPS Batteries, Generators, Elevators, Solar System, Chillers & Fire Fighting Systems' category under 'electrical, office and computer equipment'. Previously, assets under this category were depreciated over 5 years and now these are being depreciated over a revised useful life of 2 to 20 years.

The revision has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS) 8 'Accounting policies, changes in accounting estimates and errors'. Had the revision in useful lives of these assets not been made, the depreciation expense for the year would have been higher by Rs 293 million and consequently profit before tax would have been lower by the same amount.

Had there been no revaluation, the carrying amount of revalued assets as at December 31, 2025 would have been as follows;

	2025	2024
	-----Rupees '000-----	
Freehold land	1,519,596	1,479,596
Leasehold land	7,083,025	5,051,803
Building on freehold land	536,871	385,028
Building on leasehold land	3,336,318	2,652,659
	<u>12,475,810</u>	<u>9,569,086</u>

11.2.5 Details of disposals of property and equipment

The information relating to disposal of property and equipment to related parties is as follows:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyer
	----- Rupees '000-----					
Vehicles						
Toyota Revo	7,328	1,172	6,156	6,156	Bank's Policy	Syed Shuja Haider (Key Management Personnel)
Hyundai Tucson	6,725	897	5,828	5,828	Bank's Policy	Abadullah (Key Management Personnel)
Toyota Prado	23,631	4,726	18,905	18,905	Bank's Policy	Syed Majid Ali (Ex Key Management Personnel)
Peugeot Turbo	4,933	789	4,144	4,144	Bank's Policy	Monis Mirza (Key Management Personnel)
Toyota Corolla	1,125	60	1,065	1,065	Bank's Policy	Aneeq Malik (Key Management Personnel)
GWM Haval	6,391	937	5,454	5,454	Bank's Policy	Syed Shuja Haider (Key Management Personnel)
	50,133	8,581	41,552	41,552		
Electrical Equipment						
Cellular Phone	55	55	-	11	Bank's Policy	Nasir Islam (Key Management Personnel)
Cellular Phone	55	55	-	11	Bank's Policy	Syed Majid Ali (Ex Key Management Personnel)
	110	110	-	22		
	50,243	8,691	41,552	41,574		

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

12 RIGHT-OF-USE ASSETS

	Buildings	
	2025	2024
-----Rupees '000-----		
Opening balance		
Cost	23,344,580	18,669,210
Accumulated Depreciation	10,054,979	7,956,164
Net carrying amount as at January 1	13,289,601	10,713,046
Additions during the year	4,616,431	4,891,312
Modifications during the year	217	2,365
Deletions during the year	(36,056)	(218,307)
Depreciation charge for the year (note 31)	(2,518,908)	(2,098,815)
Net carrying amount as at December 31	15,351,285	13,289,601

Note	2025	2024
-----Rupees '000-----		

13 INTANGIBLE ASSETS

Capital work-in-progress	13.1	446,118	817,657
Intangibles	13.2	1,866,329	1,782,701
		2,312,447	2,600,358

13.1 Capital work-in-progress

Computer software	446,118	817,657

13.2 Intangibles

At January 1, 2025

Cost	4,914,406	2,557,167	7,471,573
Accumulated amortisation	3,420,321	2,268,551	5,688,872
Net book value	1,494,085	288,616	1,782,701

Year ended December 31, 2025

Opening net book value	1,494,085	288,616	1,782,701
Additions - directly purchased	741,784	-	741,784
Amortisation charge (note 31)	(582,155)	(76,001)	(658,156)
Closing net book value	1,653,714	212,615	1,866,329

At December 31, 2025

Cost	5,656,190	2,557,167	8,213,357
Accumulated amortisation	4,002,476	2,344,552	6,347,028
Net book value	1,653,714	212,615	1,866,329

Rate of amortisation (percentage)

14%-20%	5%-7%

Useful life

5-7 years	10-19 years

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2024		
	Computer software	Customer relationship (note 13.2.2)	Total
	----- Rupees '000 -----		
At January 1, 2024			
Cost	4,139,117	2,557,167	6,696,284
Accumulated amortisation	2,975,018	2,187,953	5,162,971
Net book value	1,164,099	369,214	1,533,313
Year ended December 31, 2024			
Opening net book value	1,164,099	369,214	1,533,313
Additions - directly purchased	775,289	-	775,289
Amortisation charge (note 31)	(445,303)	(80,598)	(525,901)
Closing net book value	1,494,085	288,616	1,782,701
At December 31, 2024			
Cost	4,914,406	2,557,167	7,471,573
Accumulated amortisation	3,420,321	2,268,551	5,688,872
Net book value	1,494,085	288,616	1,782,701
Rate of amortisation (percentage)	14%-20%	5%-7%	
Useful life	5-7 years	10-19 years	

13.2.1 The cost of fully amortised intangible assets that are still in the Bank's use is as follows:

	Note	2025	2024
		----- Rupees '000 -----	
Computer software		2,679,032	2,430,463
Customer relationship	13.2.2	1,185,532	1,185,532
		3,864,564	3,615,995

13.2.2 This represents an intangible asset (customer relationship) which comprises of core deposits which were recognised at the time of acquisition of ex-RBS Pakistan. These core deposits represent the funding benefit that would be available to the Bank on account of availability of funding through customers deposit rather than from the wholesale or interbank market. This benefit also considers the fact that the economic life time of these deposits is longer than their contractual life. Based on this assumption, this intangible asset had been valued using certain valuation techniques and is being amortised over the life expectancy of these deposits. As more fully explained in note 13.3 to these unconsolidated financial statements, the SBP allowed the Bank to adjust the amortisation charge arising on this intangible asset against non-distributable capital reserve. The remaining amortisation period of this intangible asset is ranging from 4 to 5 years.

13.3 Non-distributable capital reserve - gain on bargain purchase

As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as non-distributable capital reserve (NCR). The SBP allowed the Bank to adjust the amortisation of the intangible asset against the portion of reserve which arose on account of such asset. Accordingly, the Bank has adjusted amortisation of intangible asset amounting to Rs. 33.594 million (2024: Rs. 52.650 million) (net of tax) from the non-distributable capital reserve.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

14 OTHER ASSETS	Note	2025	2024
		-----Rupees '000-----	
Profit / return accrued in local currency	14.2	30,096,694	35,606,612
Profit / return accrued in foreign currency	14.2	189,757	40,309
Advances, deposits, advance rent and other prepayments		2,234,804	1,698,598
Advance taxation (provision less payments)		2,469,779	3,480,441
Non-banking assets acquired in satisfaction of claims	14.1	1,028,271	1,375,587
Mark to market gain on forward foreign exchange contracts		400,498	196,593
Acceptances	20	26,907,577	24,059,259
Cards and other products fee receivable		4,677,068	2,186,211
Receivable on account of sale of securities		432,455	69,391
Dividend receivable		75,369	74,341
Deferred fair value loss	14.4	2,809,353	3,139,855
Prepaid employment benefit	14.5	6,689,029	5,234,138
Rebate receivable - net		6,989,177	2,568,022
Receivable from defined benefit plan	38.4	199,722	-
Others		865,154	1,571,334
		<u>86,064,707</u>	<u>81,300,691</u>
Less: credit loss allowance held against other assets	14.3	(446,288)	(327,153)
Other assets - net of credit loss allowance		<u>85,618,419</u>	<u>80,973,538</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22.2	921,260	1,734,105
Other assets - total		<u>86,539,679</u>	<u>82,707,643</u>
14.1 Market value of non-banking assets acquired in satisfaction of claims		<u>1,949,531</u>	<u>3,116,825</u>

The non-banking assets acquired in satisfaction of claims by the Bank have been revalued by an independent professional valuer as at December 31, 2025. The revaluation was carried out by Joseph Lobo (Private) Limited on the basis of professional assessment of present market values. The SBP's Regulations for Debt Property Swap require the Bank to carry out a full scope valuation of non-banking assets after every three years.

14.1.1 Non-banking assets acquired in satisfaction of claims	Note	2025	2024
		-----Rupees '000-----	
Opening balance		3,109,692	2,664,831
Additions		125,026	484,250
Transferred to property and equipment	11.2.2	(94,578)	(36,827)
Movement in surplus during the year	22.2	(307,175)	-
Disposals		(850,000)	-
Transfer to other expenses		(32,250)	-
Depreciation	31	(1,184)	(2,562)
Closing balance		<u>1,949,531</u>	<u>3,109,692</u>

14.2 This includes profit / return accrued from stage 1 and stage 2 customers amounting to Rs. 29,107.439 million and Rs. 1,179.012 million respectively.

14.3 Credit loss allowance held against other assets	2025	2024
	-----Rupees '000-----	
Dividend receivable	74,341	74,341
Receivable from customers	53,717	51,173
Security deposits	22,994	22,994
Acceptances	4,652	2,206
Others	290,584	176,439
	<u>446,288</u>	<u>327,153</u>

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

Note	2025	2024
	-----Rupees '000-----	

14.3.1 Movement in credit loss allowance held against other assets

Opening balance	327,153	327,580
Impact of adopting IFRS 9 as at January 1	-	2,575
Restated balance as at January 1	327,153	330,155
Charge for the year	119,135	-
Reversals during the year	-	(3,002)
	119,135	(3,002)
Amounts written off	-	-
Closing balance	446,288	327,153

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14.3.2 Particulars of credit loss allowance held against other assets

	2025		2024	
	Outstanding Amount	ECL	Outstanding Amount	ECL
	----- Rupees '000-----			
Stage 1	25,844,803	3,129	10,583,930	353
Stage 2	1,062,774	1,523	13,475,328	1,853
Stage 3	441,636	441,636	324,947	324,947
	27,349,213	446,288	24,384,205	327,153

14.4 This amount represents deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its circular BPRD/BRD/PIAHCL/733688-2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. Accordingly, the Bank has recognized 10% in the unconsolidated statement of profit and loss account during the year.

14.5 The amount represents the prepaid employment benefit recognized in connection with concessional Islamic financing facilities provided to employees as per Human Resource Policy. These facilities were initially recognized at fair value due to the adoption of IFRS 9 as applicable in Pakistan. The resultant benefit arising from these concessional facilities is subsequently accounted for under IAS 19 Employee Benefits. The prepaid employee benefit is amortized in a manner that reflects the concessional facilities' income recognition. The current year's impact of unwinding of prepaid employee benefit asset amounts to Rs. 485.436 million.

2025	2024
-----Rupees '000-----	

15 BILLS PAYABLE

In Pakistan	33,288,005	39,169,649

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
16 DUE TO FINANCIAL INSTITUTIONS			
Secured			
To the State Bank of Pakistan (SBP) under			
Islamic export refinance scheme - part I and II	16.1	18,390,114	25,700,039
Islamic financing for renewable energy	16.2	6,667,864	7,656,474
Islamic long term financing facility	16.3	7,354,964	9,245,606
Islamic temporary economic refinance scheme	16.4 & 16.16	22,732,935	27,139,072
Islamic refinance facility for combating COVID-19	16.5	32,778	99,444
Islamic refinance facility for storage of agricultural produce	16.6	1,009,243	641,836
Islamic Refinance Facility for Modernization of SMEs (IRFMS)	16.7	67,000	-
Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises (IWCF)	16.8	15,750	-
Islamic Refinance Scheme For Women Entrepreneurs (IRSWE)	16.9	16,588	-
Scheme of Islamic Rupee-based discounting facility under EFS / IERS	16.10	431,130	679,690
		56,718,366	71,162,161
Due to SBP under Shari'ah compliant Open Market Operations (OMO) and Mudarabah based Financing Facility (MFF)	16.11 & 16.14	63,430,689	128,110,425
Due to other financial institutions	16.12	3,440,000	2,849,632
Total secured		123,589,055	202,122,218
Unsecured			
Overdrawn nostro accounts		443,783	839,944
Musharaka acceptances	16.13	3,500,000	85,650,000
Total unsecured		3,943,783	86,489,944
Fair value adjustment	16.16	(5,895,888)	(8,169,622)
		121,636,950	280,442,540

16.1 In accordance with the Islamic export refinance scheme (IERS), the Bank has entered into musharaka agreements for financing with the SBP for extending export finance to the customers. The average profit rates on this facility range from 6% to 16% (2024: 2% to 18%) payable on quarterly basis with maturities upto 180 days from the date of grant. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.2 In accordance with the Islamic financing facility for renewable energy, the Bank has entered into mudarabah agreements for financing with the SBP for extending renewable energy finance to customers. The average profit rates on this facility range from 2% to 3% (2024: 1% to 3%) payable on quarterly basis with maturities upto June 2034. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.3 In accordance with the Islamic long term financing facility for plant and machinery, the Bank has entered into mudarabah agreements for financing with the SBP for extending Islamic long term finance to the customers. The average profit rates on this facility range from 2% to 5% (2024: 2% to 7%) payable on quarterly basis with maturities upto December 2034. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

16.4 In accordance with the Islamic temporary economic refinance facility (ITERF), the Bank has entered into mudarabah agreements for financing with the SBP for extending finance to the customers. The average profit rate on this facility is 1% (2024: 1%) payable on quarterly basis with maturities upto July 2033. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

- 16.5** In accordance with the Islamic refinance facility for combating COVID-19, the Bank has entered into mudarabah agreements for financing with the SBP for extending medical equipment finances to the customers. The average profit rate on this facility is 0% (2024: 0%) payable on quarterly basis with maturities upto June 2026. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.6** These represent balances due to the SBP under scheme of Islamic financing facility for storage of agricultural produce (IFFSAP). The profit rate on this facility is ranging from 2% to 3% per annum (2024: 2%) payable on quarterly basis with maturity upto December 2032. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.7** These represent balances due to the SBP under scheme of Islamic Refinance Facility for Modernization of SMEs (IRFMS). The profit rate on this facility is ranging from 2% to 3% per annum (2024: Nil) payable on quarterly basis with maturity upto May 2030. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.8** These represent balances due to the SBP under scheme of Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises (IWCF). The profit rate on this facility is ranging from 2% to 3% per annum (2024: Nil) payable on quarterly basis with maturity upto January 2026. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.9** These represent balances due to the SBP under scheme of 'Islamic Refinance Scheme For Women Entrepreneurs (IRSWE). The profit rate on this facility is 0% per annum (2024: Nil) payable on quarterly basis with maturity upto February 2030. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.10** In accordance with rupee based discounting scheme under IERS, the Bank has entered into musharaka agreements for financing with the SBP for extending export finance to the customers. The average profit rates on this facility range from 1% to 2% (2024: 0.5% to 2%) payable on quarterly basis with maturities upto 180 days from the date of grant. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.11** This represents borrowing from State Bank of Pakistan under Open Market Operation and Mudarabah based Financing Facility (MFF). The average profit rates on these borrowing is 11.50% (2024: 13.13% to 14%) per annum having maturity in January 2026.
- 16.12** This represents borrowing from Pakistan Mortgage Refinance Company (PMRC). The average profit rate on this ranging 9.5% to 16.63% (2024: 8.75% to 20.86%) per annum having maturity in March 2028.
- 16.13** This represents Musharaka acceptance on profit and loss sharing basis. The expected rates on this deal is 10.6% (2024: 11.15% to 13.50) per annum having maturity in January 2026.
- 16.14** Details and nature of securities pledged as collateral against due to financial institution are given in note 9.3 to these unconsolidated financial statements.

16.15 Particulars of due to financial institutions with respect to currencies

	2025	2024
	-----Rupees '000-----	
- in local currency	121,193,167	279,602,596
- in foreign currencies	443,783	839,944
	<u>121,636,950</u>	<u>280,442,540</u>

- 16.16** This amount pertains to fair valuation adjustment pertains to SBP subsidized financing.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

17 DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- Rupees '000-----						
Customers						
Current deposits	407,122,316	36,605,777	443,728,093	298,972,004	33,564,674	332,536,678
Savings deposits	374,881,954	26,120,130	401,002,084	326,085,655	20,015,285	346,100,940
Term deposits	221,302,136	3,064,504	224,366,640	147,345,424	2,983,343	150,328,767
Margin deposits	11,850,922	55,940	11,906,862	11,428,184	22,645	11,450,829
	1,015,157,328	65,846,351	1,081,003,679	783,831,267	56,585,947	840,417,214
Financial institutions						
Current deposits	79,916,661	99,522	80,016,183	63,430,479	679,223	64,109,702
Savings deposits	231,707,415	143,648	231,851,063	138,802,511	64,080	138,866,591
Term deposits	34,485,000	-	34,485,000	885,000	-	885,000
	346,109,076	243,170	346,352,246	203,117,990	743,303	203,861,293
	1,361,266,404	66,089,521	1,427,355,925	986,949,257	57,329,250	1,044,278,507

	Note	2025	2024
-----Rupees '000-----			
17.1 Composition of deposits			
- Individuals		235,032,982	214,764,642
- Government (Federal and Provincial)		35,424,175	12,732,040
- Public sector entities		47,144,184	22,346,944
- Banking companies		20,013,200	362,015
- Non-banking financial institutions		326,339,046	203,499,278
- Private sector		763,402,338	590,573,588
	17.1.1	1,427,355,925	1,044,278,507

17.1.1 These include deposits eligible to be covered under insurance arrangements amounting to Rs. 651,798 million (2024: Rs. 628,344 million).

	2025	2024
-----Rupees '000-----		
18 LEASE LIABILITIES		
Outstanding amount at the start of the year	15,546,893	12,868,103
Additions during the year	4,616,431	4,891,312
Lease payments including profit	(3,788,740)	(3,808,291)
Profit expense for the year	2,159,295	1,862,095
Modifications during the year	217	2,365
Termination / deletion during the year	(53,014)	(268,691)
Outstanding amount at the end of the year	18,481,082	15,546,893
Contractual maturity of lease liabilities		
Short-term lease liabilities - within one year	51,580	39,553
Long-term lease liabilities		
- 1 to 5 years	4,070,943	2,991,272
- 5 to 10 years	12,610,109	11,147,614
- More than 10 years	1,748,450	1,368,454
	18,429,502	15,507,340
Total lease liabilities	18,481,082	15,546,893

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

19 DEFERRED TAX LIABILITIES

Deductible temporary differences on:

- credit loss allowance against investments
- credit loss allowance against financing, off balance sheet etc.
- fair value adjustment relating to financing
- lease agreements under IFRS 16
- credit loss allowance against other assets

Taxable temporary differences on:

- surplus on revaluation of property and equipment
- surplus on revaluation of non-banking assets
- surplus on revaluation of investments
- fair value adjustment relating to net assets acquired upon amalgamation
- accelerated tax depreciation

2025			
At January 01, 2025	Recognised in P&L	Recognised in OCI / Equity	At December 31, 2025
----- Rupees '000-----			
(329,087)	9,632	-	(319,455)
(2,694,794)	1,031,576	-	(1,663,218)
(134,565)	(136,692)	-	(271,257)
-	(2,618,034)	-	(2,618,034)
(135,299)	(58,679)	-	(193,978)
(3,293,745)	(1,772,197)	-	(5,065,942)
2,123,177	(108,606)	899,103	2,913,674
16,958	-	(16,958)	-
12,706,718	-	(7,032,949)	5,673,769
152,967	-	(42,408)	110,559
1,277,885	288,830	-	1,566,715
16,277,705	180,224	(6,193,212)	10,264,717
12,983,960	(1,591,973)	(6,193,212)	5,198,775

2024			
At December 31, 2024	Recognised in P&L	Recognised in OCI / Equity	At December 31, 2025
----- Rupees '000-----			
(847,159)	66,796	451,276	(329,087)
20,472	809,548	(3,524,814)	(2,694,794)
-	(73,527)	(61,038)	(134,565)
(125,297)	(8,741)	(1,261)	(135,299)
(951,984)	794,076	(3,135,837)	(3,293,745)
2,093,908	(142,228)	171,497	2,123,177
16,201	-	757	16,958
3,217,694	-	9,489,024	12,706,718
180,916	-	(27,949)	152,967
350,473	927,412	-	1,277,885
5,859,192	785,184	9,633,329	16,277,705
4,907,208	1,579,260	6,497,492	12,983,960

Deductible temporary differences on:

- credit loss allowance against investments
- credit loss allowance against financing, off balance sheet etc.
- fair value adjustment relating to financing
- credit loss allowance against other assets

Taxable temporary differences on:

- surplus on revaluation of property and equipment
- surplus on revaluation of non-banking assets
- surplus on revaluation of investments
- fair value adjustment relating to net assets acquired upon amalgamation
- accelerated tax depreciation

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
20 OTHER LIABILITIES			
Profit / return payable in local currency		7,886,975	9,959,755
Profit / return payable in foreign currency		122,724	47,730
Unearned commission and income on bills discounted		2,115,031	1,860,553
Accrued expenses		6,543,810	8,181,838
Acceptances	14	26,907,577	24,059,259
Dividend payable		655,733	464,961
Unclaimed dividends		4,400	4,400
Mark to market loss on forward foreign exchange contracts		273,274	945,503
Credit loss allowance against off-balance sheet obligations	20.1	155,726	187,485
Charity fund payable	20.2	104,302	27,926
Withholding tax payable		246,966	147,945
Federal excise duty payable		185,340	218,306
Payable to brokers against purchase of shares		405,447	105,647
Fair value of derivative contracts		297,692	982,880
Payable related to cards and other products		206,843	60,346
Funds held as security		403,931	361,711
Takaful payable		4,532	11,176
Clearing and settlement accounts		5,678,020	12,875,954
Payable to defined benefit plan	38.4	-	94,527
Others		1,120,881	1,286,819
		<u>53,319,204</u>	<u>61,884,721</u>
20.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		187,485	91,297
Impact of adopting IFRS 9 as at January 1		-	82,603
Restated balance as at January 1		187,485	173,900
Charge for the year		34,491	13,585
Reversals during the year		(66,250)	-
	33	(31,759)	13,585
Closing balance		<u>155,726</u>	<u>187,485</u>

20.2 Particulars of credit loss allowance held against off-balance sheet obligations

	2025		2024	
	Exposure	ECL	Exposure	ECL
	-----Rupees '000-----			
Stage 1	222,073,385	45,372	32,093,097	7,324
Stage 2	27,414,910	23,210	116,323,161	31,545
Stage 3	233,273	87,144	322,455	148,616
	<u>249,721,568</u>	<u>155,726</u>	<u>148,738,713</u>	<u>187,485</u>

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
20.2 Charity fund balance			
Opening balance		208,624	279,974
Additions during the year			
Received from customers on account of delayed payment		223,599	177,933
Profit from residual (ring-fenced) Non-Shari'ah compliant portfolio	20	87,927	11,409
Non-Shari'ah compliant income on account of:			
i) Dividend Purification amount	20	16,375	16,517
ii) Shari'ah non-compliant transactions		4,161	2,405
Profit on charity saving account		9,542	15,686
		341,604	223,950
Payments / utilisation during the year			
Education		138,909	106,800
Health		115,000	143,000
Social work		60,500	45,500
		314,409	295,300
Closing balance		235,819	208,624

20.2.1 The balance in Charity's savings account is Rs. 131.517 million (2024: Rs. 180.698 million).

20.2.2 Charity paid through savings account during the year is Rs. 314.409 million (2024: Rs. 295.300 million). Charity of Rs. 500,000 or higher was paid to the following organisations;

	2025	2024
-----Rupees '000-----		
Lahore University of Management Sciences (LUMS)	39,636	30,000
Habib University	35,000	30,000
Indus Hospital & Health Network	35,000	25,000
The Kidney Centre	20,000	-
Institute of Management Sciences	19,073	-
The Citizens Foundation	10,000	30,000
Patients' Behbud Society for AKUH	10,000	10,000
Karachi Relief Fund	10,000	10,000
Karachi Down Syndrome Program (KDSP)	10,000	5,000
Developments in Literacy	10,000	-
Momina & Duraid Foundation	10,000	-
National Institute of Child Health (NICH)	10,000	-
One Nation Foundation	10,000	-
Network of Organizations Working For People With Disabilities Pakistan (NOWPDP)	9,000	-
Saylani Welfare Trust	8,500	500
Pink Ribbon	8,000	-
Jetpur Memon Association	8,000	-
Special Olympics	8,000	-
Path Educational Society (Rehnuma Schools)	5,200	5,000
Alkhidmat Foundation	5,000	5,000
Jamiat Taleem ul Quran	5,000	4,000
Professional Education Foundation	5,000	-
Molana Tariq Jamil Foundation	5,000	-
Saleem Memorial Hospital	5,000	-
Bait ul Sukoon Trust	5,000	-
The Layton R. Benevolent Trust (LRBT)	3,000	5,000
Charity Right	2,000	-
Behbud Association	2,000	-
Dawood Global Foundation	2,000	-
Akhuwat Foundation	-	30,000
Lahore Businessmen Association for Rehabilitation of the Disabled (LABARD)	-	30,000
Pakistan Children's Heart Foundation	-	25,000
Patients' Aid Foundation	-	23,000
Afzaal Memorial Thalassemia Foundation (AMTF)	-	20,000
Karachi Vocational Training Centre	-	7,800
	314,409	295,300

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

21 SHARE CAPITAL

21.1 Authorised capital

2025	2024		2025	2024
----- Number of shares -----			-----Rupees '000-----	
2,200,000,000	2,200,000,000	Ordinary shares of Rs.10 each	22,000,000	22,000,000

21.2 Issued, subscribed and paid up

2025	2024		2025	2024
----- Number of shares -----			-----Rupees '000-----	
		Ordinary shares		
201,451,420	201,451,420	Fully paid in cash	2,014,514	2,014,514
1,298,772,879	1,298,772,879	Issued as bonus shares	12,987,729	12,987,729
17,472,226	17,472,226	Issued for consideration other than cash	174,722	174,722
1,517,696,525	1,517,696,525		15,176,965	15,176,965

21.2.1 As at December 31, 2025, Ithmaar Bank B.S.C. (closed) (the parent company of the Bank) directly and indirectly holds 1,013,473,709 ordinary shares of Rs. 10 each (2024: 1,013,473,709 ordinary shares).

22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of:

Securities measured at FVOCI - Debt	9.1	6,607,266	22,204,489
Securities measured at FVOCI - Equity	9.1	4,303,829	1,770,451
Property and equipment	22.1	13,919,446	11,909,691
Non-banking assets acquired in satisfaction of claims	22.2	921,260	1,734,105
		25,751,801	37,618,736

Deferred tax on surplus on revaluation of:

Securities measured at FVOCI - Debt		(3,435,778)	(11,768,379)
Securities measured at FVOCI - Equity		(2,237,991)	(938,339)
Property and equipment	22.1	(2,913,674)	(2,123,177)
Non-banking assets acquired in satisfaction of claims	22.2	-	(16,958)
		(8,587,443)	(14,846,853)
		17,164,358	22,771,883

22.1 Surplus on revaluation of property and equipment

Surplus on revaluation of property and equipment as at January 1

Recognised during the year		11,909,691	12,176,979
Transferred from surplus on revaluation of non-banking assets	22.2	2,186,616	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		31,997	1,067
		(208,858)	(268,355)
Surplus on revaluation of property and equipment as at December 31		13,919,446	11,909,691

Less: related deferred tax liability on:

- revaluation as at January 1		(2,123,177)	(2,093,908)
- revaluation recognised during the year		(922,525)	-
- impact of change in rate of tax		40,060	(170,921)
- transferred from surplus on revaluation of non-banking assets		(16,638)	(576)
- incremental depreciation charged during the year		108,606	142,228
		(2,913,674)	(2,123,177)
		11,005,772	9,786,514

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
Surplus on revaluation as at January 1		1,734,105	1,735,172
Recognised during the year	14.1.1	52,500	-
Surplus de-recognised during the year	14.1.1	(359,675)	-
Surplus realised on disposal during the year		(473,673)	-
Transferred to surplus on revaluation of property and equipment	22.1	(31,997)	(1,067)
Surplus on revaluation as at December 31		921,260	1,734,105
Less: related deferred tax liability on:			
- revaluation as at January 1		(16,958)	(16,201)
- Transferred to surplus on revaluation of property and equipment		16,638	523
- impact of change in rate of tax		320	(1,280)
- revaluation recognised during the year		-	-
		-	(16,958)
		921,260	1,717,147

22.3 Securities which will not be recycled to unconsolidated statement of profit and loss account are disclosed in note 9.

	Note	2025	2024
-----Rupees '000-----			
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	78,590,456	52,565,820
Commitments	23.2	352,745,310	312,113,009
Other contingent liabilities	23.3	4,122,244	4,122,244
		435,458,010	368,801,073
23.1 Guarantees			
Financial guarantees		4,766,281	4,266,928
Performance guarantees		14,670,201	13,608,155
Other guarantees		59,153,974	34,690,737
		78,590,456	52,565,820
23.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		170,552,285	95,392,494
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	75,790,108	80,620,255
- forward government securities transactions	23.2.2	63,470,659	128,375,400
- derivatives - cross currency rate swaps (notional principal)	23.2.3	337,312	964,082
- extending credit (irrevocable)	23.5	40,802,969	5,358,314
Commitments for acquisition of:			
- property and equipment		1,453,578	1,069,179
- intangible assets		338,399	333,285
		352,745,310	312,113,009

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		46,048,082	54,802,453
Sale		29,742,026	25,817,802
		<u>75,790,108</u>	<u>80,620,255</u>
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		63,470,659	128,375,400
		<u>63,470,659</u>	<u>128,375,400</u>
23.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Sale	24.1	<u>337,312</u>	<u>964,082</u>
23.3 Other contingent liabilities			
Suit filed by a customer for recovery of alleged losses suffered which is pending in the Honourable High Court of Sindh. The Bank's legal advisors are confident that the Bank has a strong case		2,510,000	2,510,000
Indemnity issued favouring the Honorable High Court in one of the cases		457,543	457,543
Tax liability of gain on bargain purchase on the acquisition of ex-RBS Pakistan	23.3.1	1,154,701	1,154,701
		<u>4,122,244</u>	<u>4,122,244</u>

23.3.1 Income tax assessments of the Bank have been finalised upto the tax year 2025 (accounting year ended December 31, 2024).

The department and the Bank has disagreement on a matter relating to taxability of gain on bargain purchase on the acquisition of ex-RBS Pakistan. The additional tax liability on the matter amounts to Rs. 1,154.701 million (December 31, 2024: Rs. 1,154.701 million). The Commissioner Inland Revenue (Appeals) [(CIR(A)] had deleted the said additional tax liability, however the income tax department had filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A). During the tax year 2011, the ATIR passed an order and maintained the decision of the CIR(A) in favour of the Bank that gain on bargain purchase is not taxable. Subsequently, the department has challenged the order in Honourable High Court of Sindh. However, the management of the Bank is confident that the matter will be decided in the Bank's favour and accordingly, no provision has been recorded in these unconsolidated financial statements in respect of this matter.

23.4 There are certain claims against the Bank not acknowledged as debt amounting to Rs 39,672 million (December 31, 2024: Rs 32,754 million). These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as mortgaged / pledged assets kept as security), cases where the Bank was proforma defendant for defending its interest in the underlying collateral kept by it at the time of financing, certain cases filed by ex-employees of the Bank for damages sustained by them consequent to the termination from the Bank's employment and cases for damages towards opportunity losses suffered by the customers due to non-disbursements of running finance facility as per the agreed terms. The above also includes an amount of Rs 25.299 million (December 31, 2024: 25,299 million) in respect of a suit filed against the Bank for declaration, recovery of monies, release of securities, rendition of account and damages.

Based on legal advice and / or internal assessments, the management is confident that the above matters will be decided in the Bank's favour and accordingly no provision has been made in these unconsolidated financial statements.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

23.5 Commitments to extend credits

The Bank makes commitments to extend credit (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn except for Rs. 40,803 million (2024: Rs. 5,358 million) which are irrevocable in nature.

24 DERIVATIVE INSTRUMENTS

Cross currency swaps (notional principal)

	2025	2024
	-----Rupees '000-----	
	337,312	964,082

Derivative instruments, such as forward rate agreements, cross currency swaps and FX options, are forward transactions that provide market making opportunities / hedge against the adverse movement of exchange rates. Derivatives business provides risk solutions for the existing and potential customers of the Bank. All derivative transactions are governed by The Financial Derivatives Business Regulations (FDBR) issued by the SBP.

24.1 Product analysis

Counterparties	2025	
	Cross currency swaps	
	Notional principal	Mark to market gain / (loss)
	----- Rupees '000-----	

With banks for

Hedging

Market making

With other entities for

Hedging

Market making

Total

Hedging

Market making

-	-
23,837	16,672
-	-
313,475	(314,364)
-	-
337,312	(297,692)

Counterparties	2024	
	Cross currency swaps	
	Notional principal	Mark to market loss
	----- Rupees '000-----	

With banks for

Hedging

Market making

With other entities for

Hedging

Market making

Total

Hedging

Market making

-	-
140,136	(171,412)
-	-
823,946	(811,468)
-	-
964,082	(982,880)

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

24.2 Maturity analysis

Remaining maturity	2025				
	No. of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			----- Rupees '000 -----		
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	4	337,312	(1,289,623)	991,931	(297,692)
1 to 2 years	-	-	-	-	-
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total		337,312	(1,289,623)	991,931	(297,692)

Remaining maturity	2024				
	No. of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			----- Rupees '000 -----		
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	-	-	-	-	-
1 to 2 years	6	391,527	(915,782)	529,376	(386,406)
2 to 3 years	4	572,555	(2,480,077)	1,883,603	(596,474)
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total		964,082	(3,395,859)	2,412,979	(982,880)

24.3 Risk management policies related to derivatives are discussed in note 46.6 to these unconsolidated financial statements.

25 PROFIT / RETURN EARNED

Note

2025

2024

On:

Financing

Investments

Due from financial institutions

Balances with banks

25.1

83,077,885

102,474,362

82,695,257

122,013,615

160,311

561,004

78

2,870

165,933,531

225,051,851

25.1 This includes Rs 1,905.413 million (2024: Rs 1,864.174 million) and Rs. 485.436 million (2024: Rs 628.644 million) related to unwinding of Temporary Economic Refinance Facility and staff financing, respectively.

25.2 Profit / return recognised on:

Financial assets measured at amortised cost

Financial assets measured at FVOCI

Financial assets measured at cost

Financial assets measured at FVPL

2025

2024

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

6,506,689

6,496,824

81,734,013

120,062,212

77,556,164

98,117,687

136,665

375,128

165,933,531

225,051,851

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

26	PROFIT / RETURN EXPENSED	Note	2025	2024
			-----Rupees '000-----	
	On:			
	Deposits		63,553,773	110,424,868
	Due to financial institutions	26.1	27,371,310	26,298,901
	Lease liability against right-of-use assets		2,159,295	1,862,095
	Cost of foreign currency swaps against foreign currency deposits / dues		3,223,300	6,083,077
			<u>96,307,678</u>	<u>144,668,941</u>
26.1	This includes Rs. 2,004.592 million (2024: Rs 1,884.106 million) related to unwinding of Temporary Economic Refinance Facility.			
27	FEE AND COMMISSION INCOME	Note	2025	2024
			-----Rupees '000-----	
	Branch banking customer fees		1,687,962	1,316,347
	Consumer finance related fees		804,554	600,820
	Card related fees		6,447,715	4,512,976
	Credit related fees		52,366	62,636
	Investment banking fees		400,456	185,988
	Commission on trade		1,379,558	1,135,035
	Commission on guarantees		200,598	160,538
	Commission on cash management		179,068	159,288
	Commission on remittances including home remittances		1,033,437	1,565,107
	Commission on bancatakaful		126,731	109,302
	Commission on sale of funds units		419,970	567,665
	Others		120,040	98,434
			<u>12,852,455</u>	<u>10,474,136</u>
28	GAIN ON SECURITIES			
	Realised:			
	Federal Government securities		8,073,257	427,828
	Shares		93,941	613,876
	Associates		3,686	28,695
			<u>8,170,884</u>	<u>1,070,399</u>
28.1	Net gain / (loss) on financial assets / liabilities			
	Net gain / (loss) on financial assets / liabilities measured at FVPL:			
	Designated upon initial recognition		-	-
	Mandatorily measured at FVPL		22,737	650,332
			<u>22,737</u>	<u>650,332</u>
	Net gain / (loss) on financial assets / liabilities measured at amortised cost		-	-
	Net gain / (loss) on financial assets measured at FVOCI		8,144,461	391,372
	Net gain / (loss) on investments in equity instruments designated at FVOCI		-	-
			<u>8,144,461</u>	<u>391,372</u>
	Net gain on investments in associates		3,686	28,695
			<u>8,170,884</u>	<u>1,070,399</u>
29	NET GAIN / (LOSS) ON FINANCIAL ASSETS / LIABILITIES MEASURED AT AMORTISED COST			
	Loss on derecognition of financial assets measured at amortised cost	14.4	(330,503)	(165,256)

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

30	OTHER INCOME	Note	2025	2024
			-----Rupees '000-----	
	Rent on property		121,137	242,092
	Gain on disposal of property and equipment- net		74,216	35,886
	Gain on disposal of non-banking assets		75,000	-
	Gain on termination of leases (IFRS 16)		21,289	65,819
	Staff cost recoveries		17,119	12,353
	Scrap income		-	8,914
	Amortization of government grant		99,179	19,932
			<u>407,940</u>	<u>384,996</u>
31	OPERATING EXPENSES			
	Total compensation expense	31.2	19,643,039	19,196,584
	Property expense			
	Rent and taxes		609,348	406,992
	Takaful		53,866	51,484
	Utilities cost		1,987,994	2,052,085
	Security (including guards)		1,776,275	1,386,432
	Repair and maintenance (including janitorial charges)		1,308,085	1,052,760
	Depreciation on property and equipment	11.2	1,336,840	1,064,916
	Depreciation on non-banking assets	14.1.1	1,184	2,562
	Depreciation on right-of-use assets	12	2,518,908	2,098,815
	Others		466,074	383,073
			<u>10,058,574</u>	<u>8,499,119</u>
	Information technology expenses			
	Software maintenance		2,877,101	2,299,027
	Hardware maintenance		480,486	408,373
	Depreciation	11.2	1,501,254	1,011,525
	Amortisation	13.2	582,155	445,303
	Network charges		457,911	367,647
			<u>5,898,907</u>	<u>4,531,875</u>
	Other operating expenses			
	Directors' fees and allowances	40.2	141,600	139,680
	Legal and professional charges		732,059	766,928
	Outsourced services costs - staff	37.1	1,213,312	994,787
	Travelling and conveyance		1,194,160	486,922
	NIFT clearing charges		146,356	106,441
	Depreciation	11.2	2,154,361	1,206,283
	Training and development		221,118	278,585
	Postage and courier charges		209,387	234,188
	Communication		1,579,948	1,618,971
	Marketing, advertisement and publicity		3,377,987	2,403,014
	Donations	31.3	139,275	140,930
	Auditors' remuneration	31.4	60,073	45,181
	Takaful		1,010,024	858,953
	Stationery and printing		856,871	1,086,016
	Bank fees and charges		3,958,275	3,583,087
	Brokerage and commission		97,218	42,846
	Deposit protection premium		1,005,351	835,758
	Repair and maintenance		691,357	482,492
	Subscriptions and publications		195,483	185,912
	Cash handling charges		783,514	634,208
	Others		495,030	317,031
			<u>20,262,759</u>	<u>16,448,213</u>
			<u>55,863,279</u>	<u>48,675,791</u>

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

31.1 Total cost for the year included in other operating expenses relating to outsourced activities other than ancillary services cost is Rs. 520.105 million (2024: Rs. 678.690 million). Out of this cost, Rs. 223.901 (2024: Rs. 293.782 million) pertains to the payment to companies incorporated in Pakistan and Rs. 296.204 million (2024: Rs. 385.008 million) pertains to payment to companies incorporated outside Pakistan. This includes payments other than outsourced services costs, which are disclosed above. Total cost of outsourced activities for the year given to related parties is Rs. Nil (2024: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of SBP's BPRD Circular No. 06 of 2017.

S.No	Name of outsourced agency	Nature of service	Estimated cost (Rupees '000)
1	Euronet Pakistan Private Limited	Credit cards, debit cards, prepaid cards and ATMs switch system host	296,204
2	Archiving and Data Solutions Private Limited	Warehousing and scanning services	223,901
			<u>520,105</u>

Note **2025** **2024**

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

31.2 Total compensation expense

Managerial Remuneration			
i) Fixed		8,717,231	7,444,365
ii) Variable			
of which :			
a) Cash bonus / awards, etc.		2,223,903	2,657,209
b) Commission incentives		1,601,554	1,713,364
Charge for defined benefit plan		522,769	353,387
Contribution to defined contribution plan		596,276	481,672
Rent & house maintenance		2,808,199	2,316,998
Utilities		533,322	449,724
Medical		656,203	541,971
Takaful		627,251	690,008
Conveyance		709,094	1,745,439
Amortization of staff financing	14.5	485,436	628,644
Others		151,239	173,803
Sub-total		<u>19,632,477</u>	<u>19,196,584</u>
Severance Allowance (number of staff : 1)		10,562	-
Grand Total		<u>19,643,039</u>	<u>19,196,584</u>

31.3 Donations made during the year were as follows:

Donees			
- Waqf Faisal (Trust)	31.3.1	139,275	130,430
- Kutiyana Memon Association		-	5,000
- Patients' Aid Foundation		-	4,000
- The Hunar Foundation		-	1,500
		<u>139,275</u>	<u>140,930</u>

31.3.1 The President and Chief Executive Officer of the Bank is acting as trustee of Waqf Faisal (Trust). No other interest of any of the directors or their spouses exists.

2025 **2024**

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

31.4 Auditors' remuneration

Statutory audit fee	8,463	7,638
Fee for the consolidated financial statements	3,276	2,883
Fee for other statutory certifications	17,865	12,046
Fee for the quarterly and the annual group reportings	15,397	13,883
Fee for the review of the half yearly financial statements	2,184	1,817
Fee for the audit of employee funds	173	152
Special certifications and sundry advisory services	5,460	2,959
Out-of-pocket expenses	7,255	3,803
	<u>60,073</u>	<u>45,181</u>

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
32 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		81,041	97,238
33 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Reversal of Credit loss allowance against cash and balances with treasury banks		(35)	(3,553)
Credit loss allowance against balances with other banks		39	3
Reversal of Credit loss allowance against investments	9.4.1	(1,065,061)	(187,005)
Reversal of Credit loss allowance against islamic financing and related assets	10.5	(3,540,766)	(2,035,526)
Credit loss allowance / (reversal) against other assets (Reversal) / Credit loss allowance against off balance sheet obligations	14.3.1	119,135	(3,002)
	20.1	(31,759)	13,585
Bad debts written off directly	10.9.1	9,014	21,205
Recoveries of written off / charged off bad debts		(369,367)	(270,154)
		(4,878,800)	(2,464,447)
34 TAXATION			
Current		24,669,869	25,800,207
Prior years	34.1	2,265,983	-
Deferred	19	(1,591,973)	1,579,260
		25,343,879	27,379,467
34.1	Pursuant to an amendment introduce vide Finance Act, 2025, Rule 1 of the Seventh Schedule of Income Tax Ordinance, 2001, the Bank has recognised the prior year income tax charge of Rs. 2,263.358 million along with the corresponding deferred tax asset of Rs. 2,179.530 , resulting in a net impact of Rs. 83.828 million. This adjustment arises from the disallowance of depreciation on right-of-use assets and related finance cost under IFRS 16 - Leases and the consequent allowability of actual rent expense incurred in the respective tax years.		
		2025	2024
-----Rupees '000-----			
34.2 Relationship between tax expense and accounting profit			
Profit before tax		47,047,293	50,407,660
Tax calculated at the rate of 53% (2024: 54%)		24,935,065	27,220,136
Effect of:			
- Tax effect of permanent differences		303,391	191,901
- Others		105,423	(32,570)
Tax charge for the year		25,343,879	27,379,467
35 BASIC / DILUTED EARNINGS PER SHARE			
Profit for the year		21,703,414	23,028,193
		Number of shares in thousands	
Weighted average number of ordinary shares		1,517,697	1,517,697
----- Rupees -----			
Basic / diluted earnings per share		14.30	15.17

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

35.1 There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2025 and December 31, 2024.

36 CASH AND CASH EQUIVALENTS	Note	2025	2024
		-----Rupees '000-----	
Cash and balance with treasury banks	7	103,857,836	102,537,577
Balance with other banks	8	6,732,657	5,539,464
		<u>110,590,493</u>	<u>108,077,041</u>
		2025	2024
		Number of employees	
Permanent		10,076	9,781
On Bank's contract		41	43
Bank's own staff strength at the end of the year		<u>10,117</u>	<u>9,824</u>

37.1 In addition to the above, 1,567 (2024: 1,466) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

38 DEFINED BENEFIT PLAN

38.1 General description

The Bank operates an approved funded gratuity scheme for all its permanent employees and employees who are on contractual service in non-management cadre. The benefits under the gratuity schemes are payable on retirement at the age of 60 years or earlier cessation of service in lumpsum. The benefits are equal to one month's last drawn basic salary for each year of eligible service or part thereof. The minimum qualifying eligible service for gratuity is 1 year for employees who became members of the Funds before November 12, 2002. In the case of other members of the Funds the minimum qualifying eligible service is 5 years. The minimum qualifying eligible service for contractual employees not employed under the management cadre is 6 months. The latest actuarial valuation of the Bank's defined benefit plan, based on the Projected Unit Credit Actuarial Cost Method, was carried out as at December 31, 2025.

The balance of conventional sub-funds has been transferred to Islamic sub-fund.

38.2 Number of employees under the scheme

The number of employees covered under the following defined benefit scheme are:

	2025	2024
- Gratuity fund	<u>10,117</u>	<u>9,824</u>

38.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2025 using the following significant assumptions:

	2025	2024
	----- % per annum -----	
Discount rate	11.00	12.25
Expected rate of salary increase	10.00	13.25

38.3.1 Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
38.4 Reconciliation of payable to defined benefit plan			
Present value of obligations	38.5	2,996,879	2,550,507
Fair value of plan assets	38.6	(3,196,601)	(2,455,980)
		<u>(199,722)</u>	<u>94,527</u>
38.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		2,550,507	1,869,596
Current service cost		511,839	366,877
Return expense		330,326	314,782
Benefits paid by the Bank		(218,258)	(174,058)
Re-measurement loss / (gain)		(177,535)	173,310
Obligations at the end of the year		<u>2,996,879</u>	<u>2,550,507</u>
38.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		(2,455,980)	(1,960,402)
Return income on plan assets		(319,396)	(328,272)
Contribution by the Bank - net		(619,508)	(264,793)
Benefits paid by the Bank		218,258	174,058
Re-measurements loss / (gain):			
Net return on plan assets excluding amounts included in return income	38.8.2	(19,975)	(76,571)
Fair value at the end of the year		<u>(3,196,601)</u>	<u>(2,455,980)</u>
38.7 Movement in payable / (receivable) under defined benefit scheme			
Opening balance		94,527	(90,806)
Charge for the year		522,769	353,387
Contribution by the Bank - net		(619,508)	(264,793)
Re-measurement (gain) / loss recognised in OCI during the year	38.8.2	(197,510)	96,739
Closing balance		<u>(199,722)</u>	<u>94,527</u>
38.8 Charge for defined benefit plans			
38.8.1 Cost recognised in profit and loss			
Current service cost		511,839	366,877
Net return expensed on defined benefit asset / liability		10,930	(13,490)
		<u>522,769</u>	<u>353,387</u>
38.8.2 Re-measurements recognised in OCI during the year			
(Gain) / loss on obligation			
- demographic assumptions		-	-
- financial assumptions		(46,464)	179,264
- experience adjustment		(131,071)	(5,954)
Return on plan assets over profit income		(19,975)	(76,571)
Total re-measurements recognised in OCI		<u>(197,510)</u>	<u>96,739</u>

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

38.9 Components of plan assets

Cash and cash equivalents - net
Ijarah sukuks

2025	2024
-----Rupees '000-----	
128,819	125,095
3,067,782	2,330,885
<u>3,196,601</u>	<u>2,455,980</u>

The funds are invested in GOP Ijara Sukuks and accordingly do not carry any credit risk. These are subject to profit rate risk. Cash and cash equivalents includes balances maintained with the Bank which are subject to credit risk.

38.10 Historical information

	2025	2024	2023	2022	2021
-----Rupees '000-----					
Present value of defined benefit obligation	(2,996,879)	(2,550,507)	(1,869,596)	(1,418,129)	(1,189,884)
Fair value of plan assets	3,196,601	2,455,980	1,960,402	1,586,954	1,317,669
Surplus / (deficit)	<u>199,722</u>	<u>(94,527)</u>	<u>90,806</u>	<u>168,825</u>	<u>127,785</u>
Remeasurement of plan liabilities	<u>(177,535)</u>	<u>173,310</u>	<u>36,402</u>	<u>(49,967)</u>	<u>105,490</u>
Remeasurement of plan assets	<u>19,975</u>	<u>76,571</u>	<u>124,996</u>	<u>685</u>	<u>(41,910)</u>

38.11 Sensitivity analysis

The analysis based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption should be summarised as illustrated below:

	2025	2024
-----Rupees '000-----		
1% increase in discount rate	<u>(229,101)</u>	<u>(193,444)</u>
1% decrease in discount rate	<u>263,714</u>	<u>222,389</u>
1% increase in expected rate of salary increase	<u>244,270</u>	<u>224,308</u>
1% decrease in expected rate of salary increase	<u>(216,661)</u>	<u>(198,665)</u>
1 year increase in expected life / withdrawal rate	<u>(70,294)</u>	<u>(59,824)</u>
1 year decrease in expected life / withdrawal rate	<u>62,833</u>	<u>53,475</u>

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	-----Rupees '000-----	
38.12 Expected maturity analysis of undiscounted obligation		
Less than a year	209,045	211,093
Between 1-2 years	869,934	614,498
Between 2-5 years	1,884,275	1,695,662
Over 5 years	57,702,483	65,934,673
Total	60,665,737	68,455,926
		2026
		Rupees '000
38.13 Expected contributions to be paid to the scheme in the next financial year		558,063
38.14 Expected charge for the next financial year		558,063

38.15 Maturity profile

The weighted average duration of the defined benefit obligation is 8.18 years.

38.16 Funding policy

The policy followed by the Bank in respect of the staff retirement benefit schemes is disclosed in note 6.14 of these unconsolidated financial statements.

38.17 The gratuity scheme exposes the Bank to the following risks:

Asset volatility

The Defined Benefit Gratuity Islamic Fund is invested in Ijarah Sukuk. The investment is almost 95.97% (3,068 million) for Ijarah Sukuk. Islamic Fund have not such investment in any Government Bonds, equity or Corporate Bonds hence the asset volatility risk is lower.

Changes in bond yields

There are two dimensions to the changes in Bond yields: first, as described above; second, the valuation of the Gratuity Liability is discounted with reference to these bond yields. So any increase in Bond yields will lower the Gratuity Liability and vice versa, but, it will also lower the Asset values.

Inflation risk

The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall affect, increases the net liability of the Bank.

Life expectancy / withdrawal rate

The Gratuity is paid off at the maximum of age 60. The Life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the Gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post- retirement benefit been given by the Bank like monthly pension, post-retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

The withdrawal risk is dependent upon the: benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.

Other risks

Though, not imminent and observable, over long term there are some risks that may crystallize. This includes:

- Retention risk – The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.
- Final Salary Risk – The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.
- Model Risk – The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the Gratuity Fund are also marked to market. This two-tier valuation gives rise to the model risk.
- Operational Risk related to a separate entity - Retirement benefits are funded through a separate trust fund which is a different legal entity than the Bank. Generally, the protocols, processes and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit Funds. This gives rise to some specific operational risks.
- Compliance Risk – The risk that retirement benefits offered by the Bank does not comply with minimum statutory requirements.
- Legal/Political Risk – The risk that the legal/political environment changes and the Bank is required to offer additional or different retirement benefits than what the Bank projected.

39 DEFINED CONTRIBUTION PLAN

The Bank operates an approved funded contributory provident fund for all its permanent employees to which equal monthly contributions are made both by the Bank and the employees at the rate of 10% of the basic salary. The financial statements of the fund are separately prepared and are not included as part of these unconsolidated financial statements.

	2025	2024
	-----Rupees '000-----	
Contribution from the Bank	596,276	481,672
Contribution from the employees	596,276	481,672
	<u>1,192,552</u>	<u>963,344</u>

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

40 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

2025						
Particulars	Directors		Members Shari'ah Board	President & CEO	Key executives	Other material risk takers / Controllers
	Chairman	Non Executive				
----- Rupees '000-----						
Fees and allowances, etc.	14,400	127,200	-	-	-	-
Managerial remuneration						
i) Fixed	-	-	31,628	113,213	267,530	399,864
ii) Total variable	-	-	16,953	216,000	447,000	533,215
of which :						
a) Cash bonus / awards - paid	-	-	13,328	162,000	336,950	426,572
b) Cash bonus / awards - deferred	-	-	3,625	54,000	110,050	106,643
c) Bonus and awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	1,819	8,516	13,973	25,196
Contribution to defined contribution plan	-	-	-	10,219	13,269	28,784
Rent & house maintenance	-	-	-	5,000	75,455	135,206
Utilities	-	-	-	1,838	1,289	5,374
Medical	-	-	-	3,418	16,767	30,235
Conveyance	-	-	-	-	12,224	5,281
Sign on bonus	-	-	-	-	-	-
Others	-	-	-	667	3,761	10,421
Total	14,400	127,200	50,400	358,871	851,268	1,173,576
Number of persons	1	9	6	1	16	62

2024						
Particulars	Directors		Members Shari'ah Board	President & CEO	Key executives	Other material risk takers / Controllers
	Chairman	Non Executive				
----- Rupees '000-----						
Fees and allowances, etc.	12,480	127,200	-	-	-	-
Managerial remuneration						
i) Fixed	-	-	30,116	103,542	241,249	443,563
ii) Total variable	-	-	14,400	209,380	393,000	479,618
of which :						
a) Cash bonus / awards - paid	-	-	11,080	157,035	294,750	385,394
b) Cash bonus / awards - deferred	-	-	3,320	52,345	98,250	94,224
c) Bonus and awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	1,850	7,998	12,826	25,378
Contribution to defined contribution plan	-	-	-	9,597	11,378	29,910
Rent & house maintenance	-	-	-	5,000	69,262	136,528
Utilities	-	-	-	1,769	1,281	5,911
Medical	-	-	-	807	15,391	30,453
Conveyance	-	-	4,497	-	42,042	110,814
Sign on bonus	-	-	-	-	-	-
Others	-	-	-	586	2,336	23,055
Total	12,480	127,200	50,863	338,679	788,765	1,285,230
Number of persons	1	9	6	1	15	75

40.1 The President & CEO and Key Executives are entitled to Bank's cars in accordance with the terms of the employment.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

40.2 Remuneration paid to directors for participation in board and committee meetings

S.No.	Name of director	Board meetings	2025							Total
			Meeting fees and allowances paid							
			Recruitment, Nomination & Remuneration Committee	Board Strategy Committee	Board Audit & Corporate Governance Committee	Board IT Committee	Board Risk Management Committee	Board Sustainability and Development Committee	Additional Fee to Chairman Committee	
Rupees '000-										
1	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	4,000	4,800	4,800	3,200	-	-	-	960	17,760
2	Mr. Mian Muhammad Younis	4,800	-	5,600	-	-	-	1,600	2,400	14,400
3	Mr. Imtiaz Ahmad Pervaz	4,800	-	5,600	-	-	3,200	-	640	14,240
4	Mr. Juma Hasan Ali Abul	4,000	4,800	4,800	3,200	-	-	-	-	16,800
5	Mr. Abdulelah Ebrahim Mohamed AlQasimi	4,000	-	-	-	4,000	3,200	800	-	12,000
6	Mr. Mohamed Ahmed Bucheerei*	1,600	-	-	-	1,600	1,600	-	-	4,800
7	Mr. Ali Munir	4,800	-	-	4,000	-	3,200	-	800	12,800
8	Ms. Fatima Asad	4,800	5,600	5,600	-	-	-	1,600	-	17,600
9	Mr. Mohsin Tariq	4,800	5,600	-	4,000	-	-	-	-	14,400
10	Ms. Sadia Khan	4,800	5,600	-	-	4,000	-	1,600	800	16,800
Total amount paid		42,400	26,400	26,400	14,400	9,600	11,200	5,600	5,600	141,600

*Mr. Mohamed Ahmed Bucheerei is appointed as director with effect from May 02, 2025.

S.No.	Name of director	Board meetings	2024							
			Meeting fees and allowances paid							
			Recruitment, Nomination & Remuneration Committee	Board Strategy Committee	Board Audit & Corporate Governance Committee	Board IT Committee	Board Risk Management Committee	Board Sustainability and Development Committee	Additional Fee to Chairman Committee	Total
			Rupees '000-							
1	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	6,400	4,800	3,200	4,800	-	-	-	960	20,160
2	Mr. Mian Muhammad Younis	5,600	-	3,200	-	-	-	1,600	2,080	12,480
3	Mr. Imtiaz Ahmad Pervez	5,600	-	3,200	-	-	3,200	-	640	12,640
4	Mr. Juma Hasan Ali Abul	6,400	4,800	3,200	4,800	-	-	-	-	19,200
5	Mr. Abdulelah Ebrahim Mohamed AlQasimi	5,600	-	-	-	4,800	3,200	1,600	-	15,200
6	Mr. Abdulla Abdulaziz Ali Taleb*	2,400	-	-	-	1,600	800	-	-	4,800
7	Mr. Ali Munir	4,800	-	-	4,000	-	3,200	-	800	12,800
8	Ms. Fatima Asad	5,600	4,000	2,400	-	-	-	1,600	-	13,600
9	Mr. Mohsin Tariq	4,800	4,000	-	4,000	800	-	-	-	13,600
10	Ms. Sadia Khan	4,800	4,000	-	-	4,000	-	1,600	800	15,200
Total amount paid		52,000	21,600	15,200	17,600	11,200	10,400	6,400	5,280	139,680

* Mr. Abdulla Abdulaziz Ali Taleb ceased to be director with effect from April 2, 2024.

40.3 Remuneration paid to Shari'ah board members

Items	2025				2024			
	Chairman	Resident member	Non-resident member	Shari'ah board member	Chairman	Resident member	Non-resident member	Shari'ah board member
Rupees '000-								
Fees and allowances etc.	-	-	-	-	-	-	-	-
Managerial remuneration								
i) Fixed	9,264	2,809	17,702	1,853	8,853	5,067	15,746	450
ii) Total variable	14,500	1,298	701	454	12,000	2,400	-	-
of which :								
a) Cash bonus / awards - paid	10,875	1,298	701	454	9,000	2,080	-	-
b) Cash bonus / awards - deferred	3,625	-	-	-	3,000	320	-	-
Charge for defined benefit plan	695	136	896	92	695	334	799	22
Rent & house maintenance	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Medical	-	-	-	-	-	-	-	-
Conveyance	-	-	-	-	3,484	1,013	-	-
Others	-	-	-	-	-	-	-	-
Total	24,459	4,243	19,299	2,399	25,032	8,814	16,545	472
Number of persons	1	1	3	1	1	1	3	1

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

41 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of income approach using Discounted Cashflow (DCF) method.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

41.1 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 asset 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:

On-balance sheet financial instruments

Financial assets - measured at fair value

Investments

Federal Government securities

Shares

Non-Government debt securities

Financial assets - disclosed but not measured at fair value

Investments

Non-Government debt securities (note 9.7.1)

Non-financial assets - measured at fair value

Property and equipment (land and buildings) (note 11.2)

Non-banking assets acquired in satisfaction of claims (note 14.1)

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange

Forward sale of foreign exchange

Derivatives sales

2025			
Level 1	Level 2	Level 3	Total
----- Rupees '000-----			

-	612,104,972	-	612,104,972
9,344,496	-	4,111,385	13,455,881
-	1,244,522	-	1,244,522
-	5,456,634	-	5,456,634
-	26,395,256	-	26,395,256
-	1,949,531	-	1,949,531
-	45,805,209	-	45,805,209
-	29,371,929	-	29,371,929
-	297,692	-	297,692

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

2024				
	Level 1	Level 2	Level 3	Total
----- Rupees '000-----				
On-balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	610,027,380	-	610,027,380
Shares	10,091,925	-	67,686	10,159,611
Non-Government debt securities	-	47,881,091	-	47,881,091
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government debt securities (note 9.7.1)	-	6,818,118	-	6,818,118
Non-financial assets - measured at fair value				
Property and equipment (land and buildings)	-	21,478,777	-	21,478,777
Non-banking assets acquired in satisfaction of claims	-	3,116,825	-	3,116,825
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	53,913,508	-	53,913,508
Forward sale of foreign exchange	-	25,677,767	-	25,677,767
Derivatives sales	-	982,880	-	982,880

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date when the event or change in circumstances require the Bank to exercise such transfers.

41.2 Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring level 3 fair values, as well as the significant unobservable inputs used.

Name of investee	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
1Link (Private) Limited	Discounted Cash Flow	The estimated fair value would increase / (decrease) if:	
		Five years average revenue growth rate 20%	The annual revenue growth rate were higher.
		Forecast EBITDA margin 76.9% to 59.2%	The EBITDA were higher .
		Risk adjusted discount rate 20.56%	The risk adjusted discount rate were lower.
		Terminal value growth rate 4% (using declining growth model)	Terminal value were higher.

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

Sensitivity analysis

For the fair values of contingent consideration and equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effect.

Contingent consideration

	Increase	Decrease
	-----Rupees '000-----	
Effect on Unconsolidated Statement of Financial Position		
Expected cashflow (1 % movement in Revenue)	110,835	(110,835)
Risk Adjusted discount rate (0.1 movement in Relevered beta)	(171,628)	186,092

Effect on Unconsolidated Statement of Comprehensive Income

Expected cashflow (1 % movement in Revenue)	110,835	(110,835)
Risk Adjusted discount rate (0.1 movement in Relevered beta)	(171,628)	186,092

The following table shows the valuation technique used in measuring level 3 fair values, as well as the significant unobservable inputs used.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Ijara Sukuk	Fair values of GoP Ijara Sukuk are derived using the PKISRV rates announced by the Financial Markets Association of Pakistan (FMAP) through Reuters and GIS revaluation rates issued by PSX. These rates denote an average of quotes received from different pre-defined / approved dealers / brokers.
Unlisted ordinary shares	The fair value of unquoted equity securities is determined using the income approach method using DCF method.
Sukuk Certificates	The fair value of sukuk certificates are determined using the MUFAP or PSX rates.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivative instruments	The Bank enters into derivative contracts with various counterparties. Derivatives that are valued using valuation techniques with market observable inputs are mainly cross currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.
Mutual funds	Units of mutual funds are valued using the net asset value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land and buildings)	Land and buildings and NBA are revalued by professionally qualified valuers. The valuations, mentioned above, are conducted by the valuation experts appointed by the Bank which are also on the panel of the Pakistan Banks' Association (PBA). The valuation experts use a market based approach to arrive at the fair value of the Bank's properties. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.
Non-banking assets acquired in satisfaction of claims (NBAs)	

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

42 SEGMENT INFORMATION

42.1 Segment details with respect to business activities

	2025					
	Retail	CIBG	Treasury	SAM	Others	Total
Rupees '000-						
Profit and loss account						
Net return / profit	(35,704,946)	48,257,878	56,223,654	258,363	590,904	69,625,853
Inter segment revenue - net	92,684,573	(41,956,622)	(53,910,387)	26,689	3,155,747	-
Other income	12,806,456	6,156,025	16,448,356	(3,672)	(5,960,056)	29,447,109
Total income	69,786,083	12,457,281	18,761,623	281,380	(2,213,405)	99,072,962
Segment direct expenses	34,581,382	2,870,076	769,032	290,781	18,393,198	56,904,469
Inter segment expense allocation	16,031,279	1,729,580	345,078	287,261	(18,393,198)	-
Total expenses	50,612,661	4,599,656	1,114,110	578,042	-	56,904,469
Credit loss allowance	(575,792)	(1,541,945)	1,694	(2,636,245)	(126,512)	(4,878,800)
Profit before tax	19,749,214	9,399,570	17,645,819	2,339,583	(2,086,893)	47,047,293
Statement of financial position						
Cash and bank balances	43,179,406	-	67,411,087	-	-	110,590,493
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	7,479,179	625,560,852	508,311	2,545,044	636,243,386
Investment - credit loss allowance	-	(795,318)	-	(508,311)	-	(1,303,629)
Net inter segment lending	1,067,581,322	-	-	-	(1,067,581,322)	-
Financing- performing	254,663,442	613,934,848	-	2,673,970	44,853	871,317,113
Financing- non-performing	3,910,357	4,751,121	-	11,362,243	413,201	20,436,922
Financing- credit loss allowance	(3,892,958)	(4,062,398)	-	(11,362,243)	(437,733)	(19,755,332)
Others	34,641,861	9,540,967	9,320,116	186,070	103,511,588	157,200,602
Total assets	1,400,233,430	630,848,399	702,292,055	2,860,040	(961,504,369)	1,774,729,555
Due to financial institutions	15,741,958	46,254,773	68,758,570	-	(9,118,351)	121,636,950
Subordinated sukuk	-	-	-	-	-	-
Deposits and other accounts	1,306,537,633	134,938,048	416	347,558	(14,467,730)	1,427,355,925
Net inter segment borrowing	-	448,941,713	627,973,832	2,511,395	(1,079,426,940)	-
Others	77,953,839	713,865	321,912	1,087	31,296,363	110,287,066
Total liabilities	1,400,233,430	630,848,399	697,054,730	2,860,040	(1,071,716,658)	1,659,279,941
Equity	-	-	5,237,325	-	110,212,289	115,449,614
Total equity and liabilities	1,400,233,430	630,848,399	702,292,055	2,860,040	(961,504,369)	1,774,729,555
Contingencies and commitments	95,643,222	195,618,847	139,601,679	1,607,064	2,987,198	435,458,010

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2024					
	Retail	CIBG	Treasury	SAM	Others	Total
----- Rupees '000-----						
Profit and loss account						
Net return / profit	(81,651,028)	67,500,477	96,449,787	217,758	(2,134,084)	80,382,910
Inter segment revenue - net	158,537,506	(60,430,902)	(91,407,208)	102,163	(6,801,559)	-
Other income	9,585,705	3,917,484	6,614,788	19,627	(2,775,544)	17,362,060
Total income	86,472,183	10,987,059	11,657,367	339,548	(11,711,187)	97,744,970
Segment direct expenses	30,393,241	1,833,555	637,316	314,297	16,623,348	49,801,757
Inter segment expense allocation	14,341,858	1,655,066	337,948	288,476	(16,623,348)	-
Total expenses	44,735,099	3,488,621	975,264	602,773	-	49,801,757
Credit loss allowance	211,563	2,183,002	-	(1,278,638)	(3,580,374)	(2,464,447)
Profit before tax	41,525,521	5,315,436	10,682,103	1,015,413	(8,130,813)	50,407,660
Unconsolidated statement of financial position						
Cash and bank balances	34,229,666	-	73,847,375	-	-	108,077,041
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	8,854,179	666,675,032	1,924,405	2,495,045	680,098,661
Investment provision	-	(800,904)	(956)	(1,924,405)	-	(2,726,265)
Net inter segment lending	766,579,757	-	-	-	(766,579,757)	-
Financing - performing	164,573,602	461,547,691	-	(1,832,270)	9,913,623	634,202,646
Financing- non-performing	4,890,511	6,350,382	-	12,824,289	269,900	24,335,082
Financing- provisions	(4,375,818)	(7,291,863)	-	(12,748,614)	(211,885)	(24,628,180)
Others	106,076,705	13,502,169	(49,573,384)	196,963	73,106,201	143,308,654
Total assets	1,072,124,423	482,161,654	690,948,067	(1,559,632)	(681,006,873)	1,562,667,639
Due to financial institutions	11,360,310	59,456,649	209,625,581	-	-	280,442,540
Subordinated sukuk	-	-	-	-	-	-
Deposits and other accounts	984,636,217	68,594,518	-	394,284	(9,346,512)	1,044,278,507
Net inter segment borrowing	-	347,306,553	468,974,869	(1,954,873)	(814,326,549)	-
Others	76,127,896	6,803,934	1,307,507	957	45,344,929	129,585,223
Total liabilities	1,072,124,423	482,161,654	679,907,957	(1,559,632)	(778,328,132)	1,454,306,270
Equity	-	-	11,040,110	-	97,321,259	108,361,369
Total equity and liabilities	1,072,124,423	482,161,654	690,948,067	(1,559,632)	(681,006,873)	1,562,667,639
Contingencies and commitments	70,610,584	83,427,173	209,959,737	1,608,047	3,195,532	368,801,073

Notes to the Unconsolidated Financial Statements

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43 TRUST ACTIVITIES

The Bank acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These are not assets of the Bank and, therefore, are not included in the unconsolidated statement of financial position. The following is the list of assets held under trust:

Category	2025				
	No. of IPS accounts	Securities held (face value)			
		Pakistan Investment Bonds	Government Ijara Sukuks	Islamic Naya Pakistan Certificate	Total
----- Rupees '000-----					
Corporate	65	-	1,421,500	-	1,421,500
Insurance companies	3	-	-	-	-
Asset management companies	62	-	935,000	-	935,000
Employees funds	176	2,000	203,700	-	205,700
Charitable institution / NGOs	23	-	-	-	-
Individuals	24,592	-	1,249,600	13,581,669	14,831,269
Related parties	68	-	8,504,100	495	8,504,595
Others	7	-	-	-	-
	<u>24,996</u>	<u>2,000</u>	<u>12,313,900</u>	<u>13,582,164</u>	<u>25,898,064</u>

Category	2024				
	No. of IPS accounts	Securities held (face value)			
		Pakistan Investment Bonds	Government Ijara Sukuks	Islamic Naya Pakistan Certificate	Total
----- Rupees '000-----					
Corporate	62	-	1,488,100	-	1,488,100
Insurance companies	2	-	-	-	-
Asset management companies	64	-	4,098,000	-	4,098,000
Employees funds	171	2,000	162,900	-	164,900
Charitable institution / NGOs	23	-	14,600	-	14,600
Individuals	19,846	-	1,228,100	8,161,547	9,389,647
Related parties	118	-	7,874,900	161,510	8,036,410
Others	6	-	-	-	-
	<u>20,292</u>	<u>2,000</u>	<u>14,866,600</u>	<u>8,323,057</u>	<u>23,191,657</u>

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

44 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with various parties including its parent, subsidiaries, associates, employee benefit plans and its directors and key management personnel.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions and balances with related parties as at the year end, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	2025						2024					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
Rupees '000												
Investments												
Opening balance	-	-	-	2,139,893	355,151	157,287	-	-	-	1,139,893	1,869,660	2,009,039
Investment made during the year	-	-	-	200,000	-	198,008	-	-	-	1,000,000	5,600,000	138,306
Investment redeemed / sold during the year	-	-	-	-	-	(160,366)	-	-	-	-	(7,114,509)	(37,546)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	(2,234,998)
Other movements	-	-	-	-	-	3,989,755	-	-	-	-	-	282,486
Closing balance	-	-	-	2,339,893	355,151	4,184,684	-	-	-	2,139,893	355,151	157,287
Islamic financing and related assets												
Opening balance	-	278	532,539	-	-	5,042,542	-	54	652,579	-	-	6,684,998
Addition during the year	-	1,763	291,953	-	-	4,096,793	-	2,494	204,548	-	-	4,113,676
Repaid during the year	-	(1,634)	(324,970)	-	-	(4,256,578)	-	(2,270)	(324,588)	-	-	(5,510,760)
Transfer in / (out) - net	-	-	202,740	-	-	9,909,558	-	-	-	-	-	(245,372)
Closing balance	-	407	702,262	-	-	14,792,315	-	278	532,539	-	-	5,042,542
Credit loss allowance held against Islamic financing and related assets / provision held	-	2	1,262	-	-	8,706	-	20	2,720	-	-	165,057

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2025					2024						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
Other assets												
Profit / return accrued	-	-	50,146	-	-	13,893	-	-	26,283	-	-	55,970
Commission income receivable	-	-	-	23,222	-	-	-	-	-	47,012	-	-
Receivable from defined benefit plan	-	-	-	-	-	199,722	-	-	-	-	-	-
Other receivable	-	-	-	13,710	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	182	59,457	103,006	262,501	45,555,437	3,526,628	182	99,238	78,073	11,203	45,920,675	2,895,486
Received during the year	-	319,712	2,742,842	61,942,138	3,257,858,826	1,680,977,638	-	545,472	2,506,651	37,698,785	1,914,650,050	333,656,879
Withdrawn during the year	-	(274,952)	(2,679,460)	(61,679,476)	(3,240,779,065)	(1,660,544,866)	-	(585,253)	(2,481,718)	(37,447,487)	(1,915,015,288)	(632,946,011)
Transfer in / (out) - net	-	8	(8,997)	-	108	(94,065)	-	-	-	-	-	(79,726)
Closing balance	182	104,225	157,391	525,163	62,635,306	23,865,335	182	59,457	103,006	262,501	45,555,437	3,526,628
Other liabilities												
Profit / return payable	-	434	645	1,144	525,949	28,740	-	474	134	1,607	501,225	21,953
Payable to defined benefit plan	-	-	-	-	-	-	-	-	-	-	-	94,527
Other payable	-	-	-	38,333	-	-	-	-	-	9,583	-	-
Contingencies and commitments												
Trade related commitments	-	-	-	-	-	21,784,355	-	-	-	-	-	129,689

44.1 Balances pertaining to parties that were related at the beginning of the period but ceased to be related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through the movement presented above.

44.2 Details of outstanding investments in the subsidiary company and donations made during the year relating to related parties are given in notes 9 and 31.3 to these unconsolidated financial statements. Contributions to and accruals in respect of retirement benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan (refer notes 38 and 39 to these unconsolidated financial statements for the details of the plans). Remuneration of the President and Chief Executive Officer, directors' fee, and certain related information are disclosed in note 40 to these unconsolidated financial statements. Such remuneration is determined in accordance with the terms of their employment. Details of shares held by the parent company are disclosed in note 21.2.1 to these unconsolidated financial statements. Details of assets held under trust arrangement on behalf of the related parties are given in note 43 to these unconsolidated financial statements.

RELATED PARTY TRANSACTIONS

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2025					2024						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
Rupees '000												
Income												
Profit / return earned	-	-	37,374	-	-	345,939	-	8	81,914	-	-	718,720
Fee and commission income	-	126	281	420,042	785	61,286	-	125	240	567,707	2,689	2,231
Dividend income	-	-	-	-	31,286	143,073	-	-	-	-	37,339	101,690
Net gain on sale of securities	-	4,580	25,717	1,531	3,686	150,084	-	-	1,655	9,219	28,695	94,597
Maintenance income	-	-	-	-	-	-	-	-	-	9,679	-	-
Rent on property	-	-	-	51,008	-	-	-	-	-	35,726	-	-
Other income	-	-	22	15,048	-	-	-	-	-	5,042	-	-
Expense												
Profit / return expensed	-	7,193	13,491	29,354	7,599,160	234,274	-	9,372	3,447	57,020	6,969,444	352,250
Exchange Loss	-	-	-	-	-	-	-	-	-	-	-	1,852
Director's fee and other expenses	-	141,600	-	-	-	-	-	139,880	-	-	-	-
Remuneration	-	-	1,105,357	-	-	5,711	-	-	995,571	-	-	5,043
Subscription Fees	-	-	-	-	-	3,917	-	-	-	-	-	4,841
Commission expense	-	-	-	38,333	-	-	-	-	-	31,557	-	-
Charge for defined benefit plan	-	-	-	-	-	522,760	-	-	-	-	-	353,387
Donations made during the year	-	-	-	-	-	139,275	-	-	-	-	-	130,430
Contribution to defined contribution plan	-	-	-	-	-	596,270	-	-	-	-	-	481,672
Other expenses	-	-	-	-	-	173	-	-	-	-	-	-
Others												
No. Shares / units purchased during the year (IPS) (number in '000)	-	-	-	-	-	9,914	-	-	-	10,000	47,983	2,702
No. Shares / units sold during the year (IPS) (number in '000)	-	-	-	-	33	9,269	-	-	-	-	61,420	550
Government securities purchased during the year (IPS) (amount)	-	45,521	368,593	711,008	-	195,962	-	-	296,735	809,086	-	194,868
Government securities sold during the year (IPS) (amount)	-	45,443	383,343	301,254	-	4,334,836	-	-	315,525	1,375,220	-	2,699,895
Sale proceeds from disposal of property and equipment (amount)	-	-	41,574	-	-	-	-	-	-	-	-	-

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

45 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum capital requirement (MCR):

Paid-up capital (net of losses)

2025	2024
-----Rupees '000-----	

Capital adequacy ratio (CAR):

Eligible common equity tier 1 (CET 1) capital

Eligible additional tier 1 (ADT 1) capital

Total eligible tier 1 capital

Eligible tier 2 capital

Total eligible capital (tier 1 + tier 2)

15,176,965	15,176,965
96,704,104	84,304,346
-	-
96,704,104	84,304,346
16,885,122	21,353,226
113,589,226	105,657,572
553,151,191	420,380,649
84,876,442	73,324,362
170,749,394	145,242,197
808,777,027	638,947,208
11.96%	13.19%
11.96%	13.19%
14.04%	16.54%

Risk weighted assets (RWAs):

Credit risk

Market risk

Operational risk

Total

Common equity tier 1 capital adequacy ratio (in %)

Tier 1 Capital adequacy ratio (in %)

Total Capital adequacy ratio (in %)

Capital adequacy is regularly monitored by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee and as per the requirements of the SBP. The required information is submitted to the SBP on a quarterly basis.

Since December 31, 2021, the SBP requires each bank or banking group to: (a) hold the minimum level of the paid-up capital of Rs 10 billion; (b) maintain a ratio of total regulatory capital to the risk-weighted assets at or above the required minimum level of 10% and (c) maintain common equity tier I (CET1) ratio and tier 1 ratio of 6% and 7.5% respectively.

An additional capital conservation buffer (CCB) of 1.5% (to be met from CET1) has to be maintained over and above the minimum required level.

The paid-up capital of the Bank for the year ended December 31, 2025, stood at Rs. 15.177 billion (2024: Rs 15.177 billion). As at December 31, 2025, the Bank's CAR stood at 14.04% (December 31, 2024: 16.54%) whereas CET1 and Tier 1 ratios both stood at 11.96% (December 31, 2024: 13.19%).

The Bank is also in compliance with the capital conservation buffer requirements.

Full disclosure on Capital Adequacy, Leverage Ratio & Liquidity Requirements prepared as per SBP instructions is available at <https://www.faysalbank.com>

The Bank calculates capital requirement as per Basel III regulatory framework, using the following approaches:

Credit Risk	Standardised Approach
Market Risk	Standardised Approach
Operational Risk	Basic Indicator Approach

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Leverage ratio (LR):

Eligible tier-1 capital
Total exposures
Leverage ratio (%)

Liquidity coverage ratio (LCR):

Total high quality liquid assets
Total net cash outflow
Liquidity coverage ratio (Ratio)

Net stable funding ratio (NSFR):

Total available stable funding
Total required stable funding
Net stable funding ratio (%)

	2025	2024
	-----Rupees '000-----	
Eligible tier-1 capital	96,704,104	84,304,346
Total exposures	2,075,671,148	1,795,066,750
Leverage ratio (%)	4.66%	4.70%
Total high quality liquid assets	661,248,759	694,009,852
Total net cash outflow	476,959,032	436,826,211
Liquidity coverage ratio (Ratio)	1.386	1.589
Total available stable funding	1,130,991,704	902,289,025
Total required stable funding	708,252,420	543,341,887
Net stable funding ratio (%)	159.69%	166.06%

46 RISK MANAGEMENT

Risk management group (RMG) has been organised under the Chief Risk Officer (CRO). It has been authorised by the Board of Directors (BoD) to monitor the implementation of an integrated risk management framework across the Bank. As an ongoing exercise to integrate risk related functions, RMG has been expanded, strengthened and entrusted to monitor the risk areas across the organisation, including adoption and convergence towards regulatory and Basel guidelines on risk management.

The primary objective of this architecture is to inculcate risk management into the organisation flows to ensure that risks are timely and accurately identified and assessed, properly documented, approved and adequately monitored and managed in order to ensure that risk taking activities are in line with the guidelines approved by the BoD and to protect the interests of the Bank's depositors and shareholders.

The 'risk management framework' at the Bank encompasses:

- scope of risks to be managed;
- process, systems and procedures to manage risk; and
- roles and responsibilities of individuals involved in risk management.

The Bank has adopted an approach that gives an integrated view of the risks faced by the organisation. This calls for aligning strategic vision, policy objectives and business processes / procedures within the risk management framework. The management of risk is integrated with the Bank's management of capital and strategy. This ensures that risks taken in pursuit of the Bank's strategic objectives are consistent with the policies, translating into targeted shareholder return as well as the Bank's desired credit rating and risk appetite.

With this in view, the risk management framework endeavours to be a comprehensive and evolving set of guidelines to cater to changing business dynamics. The risk management framework includes:

- clearly defined risk management policies;
- well constituted organisational structure; and
- mechanism for ongoing review of all policies and procedures and risk exposures.

The 'risk management framework' is built on the following elements:

- comprehensive risk governance; and
- effective risk processes.

The Bank has developed and implemented a governance and management structure, processes surrounding each risk area, including credit risk, market risk, liquidity risk, capital management, operational risk, environmental & social risk, Shari'ah non-compliance risk, information security risk, and climate-related risk (which is recognized as a systemic driver that can potentially amplify these traditional exposures).

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The essential components which contribute in effective management of all these risks are as follows:

- active board / senior management strategic direction and centralised RMG oversight;
- sufficient policies, procedures and limits;
- adequate risk measurement, monitoring and management information systems; and
- comprehensive internal controls.

The Board of Directors (BoD) monitoring and oversight is facilitated through the Board Risk Management Committee (BRMC), comprising of directors including the President & CEO. It is appointed and authorised by the BoD to assist in the design, regular evaluation and timely updation of the risk management framework. The BRMC has further authorised management committees such as Country Credit Committee (CCC), Agriculture Credit Committee (ACC), Enterprise Risk Management Committee (ERMC) and Assets and Liabilities Committee (ALCO) to supervise risk management activities within their respective areas.

In order to have an effective and efficient risk assessment, and to closely align its functions with business, RMG has separate risk management functions for credit risk management, based on the specialised skill sets and required specific experience in various business segments. These functions comprise of corporate risk, CBSME, agri and retail risk management.

The common responsibilities of all credit risk management functions include:

- conduct a thorough and an independent due diligence of the proposed / existing exposures in the respective risk portfolios.
- work with compliance department of the Bank to ensure conformity to the relevant Government regulations, the SBP PRs as well as internal policies.
- work with relationship teams to structure exposures such that they mitigate key risks, cater to customer requirements, remain economical in terms of risk weighted assets / capital allocation to ensure adequate risk coverage.

The risk management architecture is further fostered by enterprise risk management, risk policy, analytics & ESG, information security function and an independent credit administration department.

The enterprise risk management function is responsible for managing and controlling market, operational and liquidity risks at an enterprise level and monitoring regulatory capital requirements of the Bank.

Credit administration department - independent from the Risk Management function - looks after the security, financing documentation, disbursement and post disbursement monitoring aspects of the credit portfolio.

Risk policy, analytics & ESG department serves as an independent check in the risk management function. It performs periodic review of all credit related portfolios (corporate, CBSME, retail, agri, SAM) and analyses portfolio compositions, risk rating distributions, emerging trends of NPLs, renewal status of Risk Approvals (RAs) as per policy and other policy related matters. It also formulates / updates credit policies (along with various limits prescribed therein) in line with regulatory environment, business strategy, the BoD approvals and the best practices.

Moreover, the Green Banking Office (GBO) has been consolidated under the Risk Policy, Analytics & ESG umbrella at FBL. Established in accordance with the State Bank of Pakistan's Green Banking Guidelines (Circular #08 of IH&SMEFD, dated October 09, 2017), the GBO operates within the Risk function to oversee the entity-wide implementation of Green Banking and ESG initiatives. This office is responsible for the day-to-day management of green banking activities at FBL and supports the integration of ESG considerations into business decision-making. The GBO ensures the Bank's compliance with SBP's Green Banking Guidelines, FBL's Green Banking Policy, and any other relevant regulatory directives.

The information security risk function is responsible for information security risk identification, monitoring and reporting.

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46.1 Credit risk

Credit risk is the identification of probability that a counterparty will cause a financial loss to the Bank due to its inability or unwillingness to meet its contractual obligation. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

The Bank's credit risk philosophy is based on the Bank's overall business strategy / direction as established by the Board. The Bank is committed to the appropriate level of due diligence to ensure that credit risks have been properly analysed, fully disclosed to the approving authorities, appropriately rated, appropriately structured, appropriately priced and documented.

The Bank deals with many different types of obligors/customers and financing structures across the corporate, commercial, SME, agriculture and retail segments. The Bank manages customer credit risk exposures within appropriate limits to ensure that it does not provide a disproportionate level of credit to a single customer or group of connected clients. The Bank follows aggregation principles – summing of credit risk limits to the same customer, or group of connected clients – to identify and manage effectively all significant credit risk exposures to a single customer within an individual business and, where appropriate, across other business segments.

The Bank has well-defined credit approval and review processes under which senior officers with the requisite credit background, critically scrutinise, advise and discuss associated risks and recommend / review / approve credit facilities and financing, through respective credit committees. Besides financial, industry and transaction analysis, in order to quantify risks of counterparty, the credit evaluation also includes risk rating system to evaluate risk rating of the customers which is then monitored on a portfolio basis to gauge the Bank's credit portfolio quality. To avoid risk concentration, counterparty limits, counterparty group limits and industry concentration limits are also established, monitored and assessed in the light of changing counterparty and market conditions.

With a view to develop and effectively manage a diversified credit portfolio within each business segment (as an integral part of the credit risk management process), the Bank has adopted the concept of an industry / sector-wise exposure concentration grid which dictates target market exposures.

As part of the Bank's portfolio strategy and planning activity, these industry concentration limits are continually overseen by the management against the Bank's approved exposures in these sectors and reviewed by the Board Risk Management Committee (BRMC) in its meetings with an aim to monitor the overall risk and to avoid high exposure to a single group or industry.

The Bank is regularly conducting credit portfolio reviews to assess early warning signs, with robust post disbursement credit review mechanism to identify obligors/customers most likely to be affected in the challenging business and economic environment. Bank is confident that it has adequate capacity to withstand challenges.

The Bank uses the Standardised Approach to calculate capital charge for credit risk as per Basel regulatory framework, with comprehensive approach for credit risk mitigation.

Stress testing for credit risk is carried out regularly to estimate the impact of increase in non performing financing and downward shift in these categories.

46.1.1 Segment by class of business

Credit Risk Management (CRM) Framework (non-individual portfolio) covers three business segments: corporate risk management, commercial banking and SME (including agri) risk management. Based on overall guidance provided by a recognised and established external consultant, in line with the global best practices while ensuring regulatory compliance and alleviation of any (perceived) conflict of interest, credit management process has been segregated into two distinct categories:

- independent risk advice by risk management function.
- credit approvals by credit committee(s), while taking into consideration the business unit recommendations / approvals and independent risk advice.

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With this segregation, the role of risk management function in credit approval process is focused to provide risk advice only, based on key risk parameters; whereas relevant credit committees are responsible for providing credit related approvals.

The common responsibilities of corporate risk management and commercial banking and SME (including agri) risk management include:

- conduct a thorough and an independent due diligence of the proposed / existing exposures in the respective risk portfolios.
- work with relationship teams to advise on structure of exposures such that they mitigate key risks, cater to customer requirements, remain economical in terms of risk weighted assets / capital allocation to ensure risk coverage.
- work with the independent credit risk review team (under internal audit) for effective and periodic review of the credit portfolio.

Retail risk management is responsible for managing the credit risk of consumer finance credit products, with credit facilities extended to individual (non-corporate) customers. The consumer finance function operates on a program approach, which are approved by the Country Credit Committee and subsequently by the BoD. The retail risk management provides its input on risk parameters in term of 'risk advice', at the time of approval / changes in product programs. The retail risk management also ensures that all the ongoing individual credit approvals are within pre-defined risk parameters as per the approved product programs.

46.1.2 Credit risk: general disclosures Basel specific

The Bank has adopted the standardised approach under Basel. According to the regulatory statement submitted under the standardised approach, the portfolio has been divided into claims on public sector entities in Pakistan (PSEs), claims on corporate (excluding equity exposure) and claims categorised as retail portfolio. Claims on corporate constitute 60.04% (2024: 61.38%) of the total credit risk weighted assets, 2.02% (2024: 2.30%) represents claims on PSEs and 16.74% (2024: 14.86%) exposure pertains to claims categorised as retail portfolio.

46.1.3 Credit risk: disclosures for portfolio subject to standardised approach

For domestic claims, external credit assessment institutions (ECAIs) recommended by the SBP, namely Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited are used. For claims on foreign entities, ratings assigned by Standard and Poor, Fitch and Moody's are used. Exposures not rated by any of the aforementioned rating agencies are categorised as unrated.

Exposures	PACRA	VIS	Standard and Poor's	Moody's	Fitch
Corporate	✓	✓	-	-	-
Banks	✓	✓	✓	✓	✓
Sovereigns	-	-	✓	✓	✓
PSEs	✓	✓	-	-	-

The SBP's indicative mapping process as instructed in the SBP's circular Minimum capital requirements for banks and DFIs (indicated in table below) was used to map alpha numeric ratings of PACRA, VIS, S&P's, Moody's, Fitch ratings, and numeric scores of ECAs, to the SBP's rating grades.

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Long term rating grades mapping

SBP rating	ECA scores	PACRA	VIS	S & P	Moody's	Fitch
1	0,1	AA- and above	AA- and above	AA- and above	Aa3 and above	AA- and above
2	2	A+ to A-	A+ to A-	A+ to A-	A1 to A3	A+ to A-
3	3	BBB+ to BBB-	BBB+ to BBB-	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	4	BB+ to BB-	BB+ to BB-	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	5,6	B+ to B-	B+ to B-	B+ to B-	B1 to B3	B+ to B-
6	7	CCC+ & Below	CCC+ & Below	CCC+ & Below	Caa1 & Below	CCC+ & Below

Short term rating grades mapping

SBP rating	PACRA	VIS	S & P	Moody's	Fitch
S1	A-1 & above	A-1 & above	A-1 & above	P-1	F1
S2	A-2	A-2	A-2	P-2	F2
S3	A-3	A-3	A-3	P-3	F3
S4	Others	Others	Others	Others	Others

Particulars of the Bank's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

46.1.4 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees '000-----										
Textile	-	10,981	-	10,981	-	-	-	-	-	10,981
Chemical and pharmaceuticals	-	1,405,073	-	1,405,072	-	-	-	-	-	1,405,072
Cement	500,000	500,000	500,000	500,000	-	-	-	-	500,000	500,000
Sugar	8,311	8,311	8,311	8,311	-	-	-	-	8,311	8,311
Power (electricity), gas, water, sanitary	5,437,846	51,807,783	-	-	3	945	-	-	-	-
Financial	839,000	839,000	-	-	28	51	-	-	-	-
Services	1,214,135	1,214,135	1,214,135	1,214,135	-	-	-	-	795,287	800,905
	7,999,292	55,785,283	1,722,446	3,138,499	31	996	-	-	1,303,598	2,725,269

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees '000-----										
Public / Government	5,437,846	51,807,783	-	-	3	945	-	-	-	-
Private	2,561,446	3,977,500	1,722,446	3,138,499	28	51	-	-	1,303,598	2,725,689
	7,999,292	55,785,283	1,722,446	3,138,499	31	996	-	-	1,303,598	2,725,689

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46.1.5 Islamic financing and related assets

Credit risk by industry sector

	Gross financing		Non-performing financing		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees '000										
Agriculture, Forestry, Hunting and Fishing	110,552,088	66,662,227	740,269	834,176	92,138	68,395	12,072	17,947	663,557	751,064
Mining and quarrying	6,081,560	5,978,762	3,451	3,451	6,065	2,054	-	22,991	3,451	3,451
Textile	125,618,288	108,857,008	4,539,881	5,932,654	104,173	78,306	22,645	29,218	4,432,549	5,710,332
Chemical & Pharmaceuticals	47,611,381	37,703,439	104,895	494,595	54,339	19,070	896	108,071	103,491	493,316
Cement	14,328,784	19,527,558	41,608	41,608	7,881	17,389	30,687	165,113	39,108	39,108
Sugar	36,273,722	26,512,510	372,866	441,575	51,695	25,473	7,688	195,646	372,866	441,575
Footwear and leather garments	5,206,956	1,261,353	169,257	329,162	7,146	2,664	-	-	169,257	274,692
Automobile and transportation equipment	16,694,378	15,879,292	398,284	415,285	5,169	18,352	-	6,690	306,440	324,780
Electronics and electrical appliances	22,931,843	9,185,906	538,001	540,201	9,515	7,415	1,369	1,324	425,116	427,316
Construction	6,682,525	4,239,562	469,017	703,417	6,494	1,263	173,057	188,812	358,983	856,421
Power (electricity), Gas, water, sanitary	108,887,560	86,357,627	1,476,306	1,804,497	107,682	42,936	63,538	158,566	1,476,306	1,804,497
Wholesale and retail trade	46,537,685	40,949,777	1,989,694	2,261,255	62,869	172,445	4,162	62,908	1,796,099	1,984,332
Transport, storage and communication	32,597,587	27,477,488	76,601	91,085	30,212	2,323	1	33,388	61,866	70,285
Financial	3,143,301	2,584,287	50,853	50,853	3,093	1,710	-	-	50,309	50,309
Insurance	3,541	6,317	-	-	4	21	-	-	-	-
Services	31,007,471	23,310,784	485,979	1,020,748	59,499	35,964	28,460	106,479	387,203	979,038
Individuals	84,913,305	63,751,509	2,096,441	1,708,897	476,264	426,435	92,425	153,262	1,048,840	942,528
Iron & steel and other metal Products	20,605,177	15,005,445	3,178,403	2,552,654	7,676	297,944	172,743	2,710	2,467,180	1,799,497
Food Products	58,332,704	29,200,581	1,151,084	-	77,042	23,449	9,037	87,068	1,060,337	-
Telecommunication	38,133,758	27,968,474	3,409	-	152,090	38,238	-	188,104	3,317	-
Paper & Paper Products	19,037,770	10,746,125	417,799	415,749	30,652	11,357	-	6034	363,147	306,143
Furniture	2,787,474	561,628	168	168	17,801	1,603	-	563	168	168
Manufacture of refined petroleum products	42,134,880	13,838,122	1,551,888	1,837,450	27,835	4,011	-	12,890	1,551,888	1,808,092
Manufacture of rubber and plastic products	18,180,231	10,834,307	263,439	287,236	38,343	9,290	365	23,834	263,439	287,236
Others	8,891,751	26,558,225	317,329	2,568,366	10,301	17,478	-	43,929	285,292	2,332,868
	907,175,720	674,958,313	20,436,922	24,335,082	1,445,978	1,325,585	619,145	1,615,547	17,690,209	21,687,048

Credit risk by public / private sector

	Gross financing		Non-performing financing		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees '000										
Public / Government	218,830,936	144,086,135	-	-	60,415	15,686	-	41,230	-	-
Private	688,344,784	530,872,178	20,436,922	24,335,082	1,385,563	1,309,899	619,145	1,574,317	17,690,209	21,687,048
	907,175,720	674,958,313	20,436,922	24,335,082	1,445,978	1,325,585	619,145	1,615,547	17,690,209	21,687,048

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46.1.6 Contingencies and Commitments

Credit risk by industry sector

	2025	2024
-----Rupees '000-----		
Agriculture, forestry, hunting and fishing	2,961,210	134,204
Mining and quarrying	10,834,377	1,945,504
Textile	21,576,083	20,569,580
Chemical and pharmaceuticals	22,625,215	10,716,305
Cement	2,712,824	1,443,658
Sugar	358,083	86,539
Footwear and leather garments	321,505	319,901
Automobile and transportation equipment	17,855,884	2,752,781
Electronics and electrical appliances	12,929,649	5,116,360
Construction	6,664,231	2,738,331
Power (electricity), gas, water, sanitary	7,442,085	6,053,932
Wholesale and retail trade	50,448,593	58,111,412
Paper Products	2,826,919	2,028,586
Transport, storage and communication	4,916,072	2,204,238
Financial	3,916,702	4,445,176
Edible Oil and Ghee	12,449,229	3,364,648
Services	14,180,505	3,510,927
Rubber and Plastic Products	6,145,451	289,051
Manufacture of food products	6,676,848	4,918,886
Machinery and Equipment	1,696,243	958,425
Iron & Steel	6,026,948	3,232,784
Refinery and refined petroleum products	31,633,193	12,702,363
Others	2,402,435	772,266
	<u>249,600,284</u>	<u>148,415,857</u>

Credit risk by public / private sector

	2025	2024
Public / Government	25,400,259	511,085
Private	224,200,025	147,904,772
	<u>249,600,284</u>	<u>148,415,857</u>

46.1.7 Concentration of Islamic financing and related assets - exposures

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 301,222 million (2024: Rs. 212,284 million) are as following:

	2025	2024
-----Rupees '000-----		
Funded	266,386,817	179,748,973
Non-funded	34,834,734	32,534,820
Total exposure	<u>301,221,551</u>	<u>212,283,793</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 395,662 million (2024: Rs. 215,529 million).

There are no classified exposures under this category of advances.

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46.1.8 Islamic financing and related assets - province / region-wise disbursement and utilisation

Province / region	2025						
	Disbursements	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
----- Rupees '000 -----							
Punjab	873,923,607	842,299,301	28,912,847	437,110	8,195	1,753,069	513,085
Sindh	1,662,179,419	20,115,170	1,598,140,089	54,493	266,230	43,598,946	4,491
KPK including FATA	3,280,720	20,370	-	3,260,350	-	-	-
Balochistan	585,197	33,940	-	-	551,257	-	-
Islamabad	144,353,920	32,805,369	382,403	2,134,077	94,935	108,774,332	162,804
AJK including Gilgit-Baltistan	84,319	36,256	-	-	-	-	48,063
Total	2,684,407,182	895,310,406	1,627,435,339	5,886,030	920,617	154,126,347	728,443

Province / region	2024						
	Disbursements	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
----- Rupees '000-----							
Punjab	403,020,803	380,664,370	21,281,113	320,137	275	714,867	40,041
Sindh	772,799,170	17,321,130	754,835,416	42,329	110,401	88,188	401,706
KPK including FATA	2,318,496	-	125,000	2,185,496	-	8,000	-
Balochistan	158,444	-	158,444	-	-	-	-
Islamabad	38,117,735	2,878,350	330,896	2,906,827	5,122	31,892,745	103,795
AJK including Gilgit-Baltistan	10,000	-	-	-	-	-	10,000
Total	1,216,424,648	400,863,850	776,730,869	5,454,789	115,798	32,703,800	555,542

46.1.9 Forward-looking information contained in ECL

The Bank's Expected Credit Loss (ECL) calculation incorporates forward-looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD) and Loss Given Default (LGD), the Bank utilizes historical and forecasted macroeconomic data. For ECL calculations, the Bank considers Gross Domestic Product (GDP) and Consumer Price Index (CPI), Unemployment rate as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to specific portfolios.

The Bank has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios have been assigned probability weightings of 60% for the Base scenario, 10% for the Best scenario, and 30% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of its forward-looking assessment, the Bank conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. As of December 31, 2025, the Bank developed three scenarios—Base, Best, and Worst—based on a five-year forecast. A 10% change in macroeconomic variables (GDP, CPI and UNEMP) in the Base scenario was applied to assess the upside and downside impact on PD. The resulting variations across different segments are as follows:

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Segment	Upwards	Downwards
Corporate/Commercial	-13.201%	21.110%
SME	-25.717%	34.228%
Agriculture	-20.258%	24.649%
Consumer	-12.476%	14.200%
SME - Fleet	-29.167%	40.037%

46.1.10 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Bank performs sensitivity analysis on the ECL recognized on each of its segments.

The table below shows the loss allowance on each segment assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios.

	Total ECL as per FS	Base		Best		Worst	
		Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %
Corporate / Commercial	1,315,723	810,482	-38.400%	229,733	-82.539%	3,219,575	144.700%
SME	76,726	59,500	-22.451%	18,725	-75.595%	172,997	125.474%
Agriculture	103,891	82,756	-20.343%	29,451	-71.652%	210,039	102.172%
Consumer	568,783	478,118	-15.940%	241,882	-57.474%	964,521	69.576%

46.2 Market Risk

It is the risk that the value of on-balance sheet and off-balance sheet positions of the Bank will be adversely affected by movements in market rates or prices such as benchmark rates, deposit rates, foreign exchange rates, equity prices and / or commodity prices resulting in a loss to earnings and capital. Market risks arise generally from trading activities, open foreign currency positions, holding common equity and other products. All such instruments and transactions are exposed to general and specific market movements.

The Bank seeks to mitigate market risk by employing strategies that correlate price, rate and spread movements of its earning assets, liabilities and trading activities. Treasury front office, market risk management and treasury middle office perform market risk management activities within the Bank. The Bank has Enterprise Risk Management Committee which is responsible for recommending market risk policies and strategies for the Board approval and its subsequent implementation and review.

46.2.1 Unconsolidated statement of financial position split by trading and banking books

	2025			2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
----- Rupees '000-----						
Cash and balances with treasury banks	103,857,836	-	103,857,836	102,537,577	-	102,537,577
Balances with other banks	6,732,657	-	6,732,657	5,539,464	-	5,539,464
Due from financial institutions	-	-	-	-	-	-
Investments	12,370,786	622,568,971	634,939,757	10,526,436	666,845,960	677,372,396
Islamic financing and related assets	871,998,703	-	871,998,703	633,909,548	-	633,909,548
Property and equipment	52,997,191	-	52,997,191	44,711,052	-	44,711,052
Right-of-use assets	15,351,285	-	15,351,285	13,289,601	-	13,289,601
Intangible assets	2,312,447	-	2,312,447	2,600,358	-	2,600,358
Other assets	86,539,679	-	86,539,679	82,707,643	-	82,707,643
	<u>1,152,160,584</u>	<u>622,568,971</u>	<u>1,774,729,555</u>	<u>895,821,679</u>	<u>666,845,960</u>	<u>1,562,667,639</u>

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46.2.2 Foreign Exchange Risk

Foreign exchange risk / currency risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movements in currency exchange rates on the value of open foreign currency positions. Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect revenues from foreign exchange dealing.

The Bank undertakes currency risk mostly to support its trade services and maintains overall foreign exchange risk position to the extent of statutory Foreign Exchange Exposure Limit (FEEL) prescribed by the SBP.

Exposure limits such as counterparty, gap, net open position, dealer and bucket-wise currency delta limits are in place in accordance with the Bank's approved policies in order to manage associated risk and concentration at the acceptable tolerance levels.

	2025				2024			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	Rupees '000							
United States Dollar	49,090,338	59,966,071	10,523,660	(352,073)	24,867,483	45,055,392	18,973,173	(1,214,736)
Great Britain Pound Sterling	2,220,566	7,133,476	4,737,278	(175,632)	2,315,004	6,579,388	4,266,408	2,024
Euro	1,396,726	3,934,107	2,414,991	(122,390)	729,021	5,635,262	4,908,187	1,946
Japanese Yen	282	612	17,892	17,562	4,080	26	-	4,054
Other currencies	2,289,509	2,272,994	-	16,515	208,056	237,717	38,756	9,095
	<u>54,997,421</u>	<u>73,307,260</u>	<u>17,693,821</u>	<u>(616,018)</u>	<u>28,123,644</u>	<u>57,507,785</u>	<u>28,186,524</u>	<u>(1,197,617)</u>

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 1% change in foreign exchange rates on				
- profit and loss account	-	(11,819)	-	(30,507)
- other comprehensive income	-	-	-	-

46.2.3 Equity position Risk

Equity position risk is the risk arising from unfavourable fluctuations in prices of shares in which the Bank carries positions. It is a risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the Bank. Price risk associated with equities could be systematic or unsystematic. Systematic risk is due to sensitivity of portfolio's value to changes in overall level of equity prices, while unsystematic risk is associated with price volatility that is determined by the specific characteristics of the investee company.

The Bank's equity position is governed by position limits imposed by the SBP for overall investment and per scrip exposure. Additionally, there are internal limits set to manage overall earnings in the form of stop loss limits and maintain a diverse portfolio through sector concentration limits.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 5% change in equity prices on				
- profit and loss account	-	-	-	-
- other comprehensive income	3,135	481,847	13,720	508,634

46.2.4 Yield / profit rate risk in the banking book (PRRBB)-Basel II specific

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 1% change in discount rates on				
- profit and loss account	(2,047,574)	2,959,457	1,256,149	3,515,231
- other comprehensive income	(2,021)	(6,792,917)	-	(4,954,794)

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46.2.5 Mismatch of yield rate sensitive assets and liabilities

2025									
effective profit rate	Total	Exposed to yield risk							
		Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years
									Non-Yield bearing financial instruments

Rupees '000

(%)

On-balance sheet financial instruments

Assets

Cash and balances with treasury banks
Balances with other banks
Due from financial institutions
Investments
Islamic financing and related assets
Other assets

103,857,836	-	-	-	-	-	-	-	-	103,857,836
6,732,657	-	-	-	-	-	-	-	-	6,732,657
-	-	-	-	-	-	-	-	-	-
634,939,757	72,800,412	2,125,913	377,023,621	27,633,241	14,209,308	14,566,753	103,987,778	6,436,807	16,150,924
871,998,703	448,002,612	164,207,068	100,920,834	114,579,151	7,685,589	744,766	1,833,417	28,569,034	2,747,327
70,187,461	-	-	-	-	-	-	-	-	70,187,461
1,687,716,414	520,803,024	166,332,981	477,949,455	142,212,392	21,394,997	15,311,519	105,821,195	35,005,841	199,676,205

Liabilities

Bills payable
Due to financial institutions
Deposits and other accounts
Lease liabilities
Sub-ordinated sukuk
Other liabilities

33,288,005	-	-	-	-	-	-	-	-	33,288,005
121,636,950	67,159,850	2,667,178	14,630,965	197,082	1,328,858	3,621,823	6,762,973	24,824,439	443,782
1,427,555,925	722,827,698	94,738,574	3,804,650	70,245,549	59,159	12,238	16,918	-	535,651,139
18,481,082	-	-	-	-	-	-	-	-	18,481,082
-	-	-	-	-	-	-	-	-	-
49,896,665	-	-	-	-	-	-	-	-	49,896,665
1,650,659,627	789,987,548	97,405,752	18,435,615	70,442,631	1,388,017	3,634,061	6,779,891	24,824,439	637,760,673
37,057,787	(263,184,524)	68,927,229	459,513,840	71,769,761	20,506,880	11,677,458	99,041,304	10,181,402	(438,084,469)

On-balance sheet gap

Net non-financial assets

Net assets

Off-balance sheet financial instruments

Commitments in respect of:
- forward foreign exchange contracts - purchase
- forward foreign exchange contracts - sale
- forward government securities transactions - purchase
- forward government securities transactions - sale
- cross currency swaps
- forward lending

46,048,082	10,655,258	10,567,621	2,111,135	22,714,068	-	-	-	-	-
(29,742,026)	(13,061,035)	(9,990,077)	-	(6,690,914)	-	-	-	-	-
63,470,659	-	-	-	-	-	-	-	-	63,470,659
(337,312)	-	-	-	-	-	-	-	-	(337,312)
79,439,403	(2,405,777)	577,544	2,111,135	16,023,154	-	-	-	-	63,133,347

Off-balance sheet gap

Total yield risk rate sensitivity gap

(271,590,301)	69,504,773	461,624,975	87,792,915	20,506,880	11,677,458	99,041,304	10,181,402	2,708,905

Cumulative yield risk rate sensitivity gap

(271,590,301)	(202,085,628)	259,539,447	347,332,362	367,839,242	379,516,700	478,558,004	488,739,406	491,448,311

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2024										
effective profit rate	Exposed to yield risk									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Non-Yield bearing financial instruments
(%)										
On-balance sheet financial instruments										
Rupees '000-----										
Assets										
Cash and balances with treasury banks	102,537,577	-	-	-	-	-	-	-	-	102,537,577
Balances with other banks	5,539,464	-	-	-	-	-	-	-	-	5,539,464
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	677,372,396	88,833,294	41,624,143	419,493,738	6,804,950	43,263,422	14,007,894	44,402,300	6,288,000	12,654,655
Islamic financing and related assets	633,909,548	431,748,036	91,794,324	24,647,113	30,381,008	15,386,895	6,842,595	1,090,279	25,530,043	2,402,644
Other assets	68,660,045	-	-	-	-	-	-	-	-	68,660,045
	1,488,019,030	520,581,330	133,418,467	444,140,851	37,185,958	58,650,317	20,850,489	45,482,579	31,818,043	191,794,385
Liabilities										
Bills payable	39,169,649	-	-	-	-	-	-	-	-	39,169,649
Due to financial institutions	280,442,540	215,002,314	3,150,058	23,533,344	648,663	1,407,450	1,943,439	2,141,132	31,741,065	839,945
Deposits and other accounts	1,044,278,507	126,188,101	25,840,595	25,667,971	42,327,833	37,466,116	145,800,937	75,578,268	103,327,400	461,995,072
Lease liabilities	15,546,893	-	-	-	-	-	-	-	-	15,546,893
Sub-ordinated sukuk	-	-	-	-	-	-	-	-	-	-
Other liabilities	43,374,629	-	-	-	-	-	-	-	-	43,374,629
	1,422,812,218	341,190,415	28,990,653	49,201,315	42,976,496	38,673,566	147,744,376	77,719,400	135,068,465	560,926,188
On-balance sheet gap	65,206,812	179,390,915	104,427,814	394,939,536	(5,790,538)	19,776,751	(126,889,887)	(32,236,821)	(103,250,422)	(69,131,803)
Net non-financial assets										
	43,154,557									
Net assets										
	108,361,369									
Off-balance sheet financial instruments										
Commitments in respect of:										
- forward foreign exchange contracts - purchase	54,802,453	28,910,306	20,821,146	4,174,641	896,360	-	-	-	-	-
- forward foreign exchange contracts - sale	(25,817,802)	(8,557,232)	(8,205,470)	(9,055,100)	-	-	-	-	-	-
- forward government securities transactions - purchase	128,375,400	-	-	-	-	-	-	-	-	128,375,400
- forward government securities transactions - sale	-	-	-	-	-	-	-	-	-	-
- cross currency swaps	(964,082)	-	-	-	-	-	-	-	-	(964,082)
- forward lending	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	156,395,969	20,353,074	12,615,676	(4,880,459)	896,360	-	-	-	-	127,411,318
Total yield risk rate sensitivity gap										
	199,743,989	117,043,490	390,059,077	(4,894,178)	(32,236,821)	19,776,751	(126,889,887)	(32,236,821)	(103,250,422)	3,975,267
Cumulative yield risk rate sensitivity gap										
	199,743,989	316,787,479	706,846,556	701,952,378	594,835,242	721,729,129	594,835,242	562,598,421	459,347,999	463,323,266

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Yield curve risk is the risk that a financial instrument will suffer either a decline in income or capital because future changes in prevailing profit rates of return impact assets more or less than they impact liabilities.

The profit rate risk of the Bank arises when there is a mismatch between contractual maturities, which are subject to profit rate adjustment within a specified period or re-pricing of on and off-balance sheet assets and liabilities. Risk is addressed by Asset and Liability Management Committee that reviews the profit rate dynamics at regular intervals and decides re-pricing of assets and liabilities to ensure that the spread of the Bank remains at an acceptable level.

Major sources of Profit rate risk are;

- i) differences between the timing of rate changes and the timing of cash flows (re-pricing risk);
- ii) changing rate relationships among different yield curves affecting the Bank's activities (basis risk);
- iii) changing rate relationships across the range of maturities (yield curve risk);
- iv) Profit-related options embedded in the Bank's products (options risk); and
- v) changes in marked-to-market value of financial instruments which occur when profit rate changes (price risk).

46.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human factors or from external events. The Bank's businesses are dependent on the ability to process a large number of transactions efficiently and accurately. Operational risks and losses originate from business / operational process failure, IT security failure, natural disasters, dependence on key suppliers, fraud, service quality compromises, regulatory non-compliance, loss of key staff and social and environmental impacts.

The operational risk management department is primarily responsible for the oversight of operational risk management across the Bank. The operational risk management framework of the Bank is governed by the operational risk management policy and procedures, while the implementation is supported by an operational risk management system and designated operational risk coordinators within different units across the Bank. The framework is in line with international best practices, flexible enough to implement in stages and permits the overall approach to evolve in response to organizational learning and future requirements.

The Bank has implemented an effective operational risk management framework for managing operational risk. Each department has processes and system controls in place to address operational risks within their area. Operational loss data is collected through a well defined program implemented across the Bank. Periodic workshops are conducted for risk and control self assessment and key risk exposures are identified and assessed against existing controls to evaluate improvement opportunities. Key risk indicators are also defined for monitoring of risk exposures. New products, systems, activities and processes are subject to comprehensive operational risk assessments, before implementation. Regular updates on operational risk status is presented to Enterprise Risk Management Committee (ERMC) and the Board of Directors through the Board Risk Management Committee (BRMC). Further, as part of Bank's ongoing commitment to enhance Bank's services and to ensure Bank-wide risk awareness culture, Operational Risk Management Department has also organized special workshops / class room trainings tailored for Pan Pakistan Branch Operations Team.

Operational risk-disclosures Basel II specific

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Bank is currently using basic indicator approach for calculating operational risk capital charge.

Under basic indicator approach the capital charge for operational risk is a fixed percentage (denoted alpha) of average positive annual gross income of the Bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average.

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46.4 Shari'ah Non-Compliance Risk (SNCR)

Shari'ah Non-Compliance Risk (SNCR) is the financial and reputational risk that arises from a bank's failure to comply with the Shari'ah rules and principles prescribed by the State Bank of Pakistan and Shari'ah Board of the Bank. Managing Shari'ah non-compliance risk is vital for the establishment of an effective Shari'ah governance system. Shari'ah compliance is critical to an Islamic bank's operations and such compliance requirements must permeate throughout the organization and its products and activities.

Faysal Bank Limited (FBL) is fully aware of the importance and implication of Shari'ah non-compliance risk on its business and strategy and therefore, ensures Shari'ah compliance in its business activities & operations. FBL has also developed a comprehensive framework for Shari'ah Non-Compliance Risk management, which entails identification, assessment, monitoring / controlling and reporting of SNCR residing in the Bank.

46.5 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations associated with its financial liabilities when they fall due and to replenish funds when they are withdrawn.

Liquidity risk management framework is governed by the liquidity risk management policy. The policy provides specific directives for measuring and managing liquidity risk identifies responsible personnel; and defines their respective roles and responsibilities relating to liquidity risk management.

The management of liquidity risk is accomplished through a formal structure which includes:

- Board of Directors (BoD)
- Board Risk Management Committee (BRMC)
- Asset and Liability Committee (ALCO)
- Enterprise Risk Management Committee (ERMC)

The BoD approves the liquidity risk management policy including risk limits and ensures, through quarterly reviews by the BRMC, that the Bank's liquidity risk is being managed prudently. The BRMC plays a strategic role in liquidity risk management by overseeing the liquidity risk profile of the Bank. ERMC defines the risk tolerance levels and setting risk limits for effective liquidity risk management. ALCO ensures adherence with policy requirements and risk limits so that the Bank remains sufficiently liquid at all times.

The market and liquidity risk under enterprise risk management function overseas liquidity risk. The Bank's Asset and Liability Committee manages the liquidity position on a continuous basis.

The Bank ensures to maintain a diversified portfolio of liquid assets and funding base. Sources of funding comprise of a good mix of core deposits. Concentration in deposit, especially large volume deposits, is closely monitored to anticipate any potential liquidity issues in case of their withdrawals.

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios like liquid assets to liquid liabilities, liquid assets to total deposits, large volume deposits to total deposits, financing to deposit, liquid assets to volatile funding; on a regular basis against defined limits. Further, liquidity gaps over different time bands, are also monitored through maturity profiling of assets and liabilities. The Bank also ensures that statutory cash and liquidity requirements are maintained at all times. In addition, the Bank has also implemented the SBP's Basel III liquidity standards for ensuring compliance with the requirements of LCR, NSFR and other monitoring tools.

The Bank performs liquidity stress testing on periodic basis in order to ensure sufficient liquidity is always available to meet financial obligations / commitments. Stress testing aims to quantify the potential impact of extreme yet plausible events or movements on the value of portfolio. Shocks include withdrawal of deposits, withdrawal of wholesale / large deposits, withdrawal of top deposits, etc. The results of liquidity stress testing are shared with relevant authorities / committees, on periodic basis.

Contingency funding plan (CFP) is a part of liquidity risk management policy of the Bank. CFP provides a set of several early warning indicators of a possible liquidity shortfall situation; describes the actions to be taken to manage it and identifies the roles and responsibilities of ALCO, CFP team or other relevant authorities.

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46.5.1 Maturities of assets and liabilities - based on contractual maturities

2025													
Total	Upto 1 day	Over1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Rupees '000													
Assets													
Cash and balances with treasury banks	103,857,836	3,461,928	20,771,567	24,233,495	55,390,846	-	-	-	-	-	-	-	-
Balances with other banks	6,732,657	-	6,732,657	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	634,939,757	-	-	-	2,018,862	2,018,866	5,213,459	4,037,732	153,880,403	197,583,978	71,270,909	166,152,878	32,762,670
Islamic financing and related assets	871,998,703	175,297,835	7,525,650	15,433,256	44,058,372	67,583,190	129,811,735	54,649,256	33,801,005	59,687,069	62,697,843	82,858,879	89,549,900
Property and equipment	52,997,191	965,780	231,363	269,918	617,240	1,157,441	1,201,191	65,254	159,208	712,837	1,138,596	10,162,038	35,153,360
Right-of-use assets	15,351,285	-	-	-	-	708	25,915	48,629	76,484	286,197	587,488	1,836,928	12,488,482
Intangible assets	2,312,447	3,766	22,337	26,024	59,564	113,143	114,006	40,471	220,503	326,813	981,751	290,555	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	86,539,679	2,631,079	4,104,098	4,944,297	9,075,841	9,396,855	25,412,627	4,502,743	2,863,063	7,058,742	50,656	-	166,000
	1,774,729,555	182,360,388	39,387,672	44,906,990	109,201,863	80,275,727	161,778,933	63,344,085	191,000,666	265,655,636	136,727,243	261,301,278	170,120,412
Liabilities													
Bills payable	33,288,005	1,109,600	6,657,601	7,767,201	17,753,603	-	-	-	-	-	-	-	-
Due to financial institutions	121,636,950	72,887	67,023,601	190,016	317,128	1,776,379	14,630,965	121,908	75,174	1,328,858	3,622,663	6,823,795	24,762,777
Deposits and other accounts	1,427,355,925	1,168,642,247	30,915,650	22,109,546	36,810,855	33,214,117	3,804,650	11,143,111	59,102,438	59,159	12,238	16,917	-
Lease liabilities	18,481,082	-	-	-	-	-	7,226	4,884	39,471	347,848	831,210	2,891,885	14,358,558
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	5,198,775	-	-	-	-	-	-	-	-	-	5,198,775	-	-
Other liabilities	53,319,204	537,091	2,248,316	2,771,706	9,088,794	12,387,542	10,783,619	5,150,339	4,561,136	22,749	41,142	250	-
	1,659,279,941	1,170,361,825	106,845,168	32,838,469	63,950,380	68,162,316	29,226,460	16,420,242	63,778,219	1,758,614	9,706,028	9,732,847	39,121,335
Net assets	115,449,614	(988,001,437)	(67,457,496)	12,068,521	45,251,483	21,290,624	132,552,473	46,923,843	127,222,447	263,897,022	127,021,215	251,568,431	130,999,077
Share capital													
Share capital	15,176,965												
Reserves	20,003,104												
Surplus on revaluation of assets - net	17,164,358												
Unappropriated profit	63,105,187												
	115,449,614												

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2024														
	Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Rupees '000														
Assets														
Cash and balances with treasury banks	102,537,577	102,537,577	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	5,539,464	-	5,539,464	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	677,372,396	-	-	-	-	1,581,829	1,581,832	10,643,356	24,294,076	16,143,477	171,233,915	204,269,542	204,100,346	43,524,023
Islamic financing and related assets	633,909,548	57,169,474	14,202,161	11,140,537	33,684,210	123,302,438	80,910,273	87,378,509	25,352,218	28,391,627	34,335,224	30,562,483	41,583,491	65,896,903
Property and equipment	44,711,052	984,214	333,091	388,605	900,930	1,666,575	1,665,777	1,671,347	31,298	19,305	633,295	1,028,490	8,823,951	26,566,174
Right-of-use assets	13,289,601	-	-	-	-	658	6,163	9,671	28,003	56,246	311,565	436,160	1,512,954	10,928,181
Intangible assets	2,600,358	6,813	40,883	47,697	109,021	204,414	204,868	205,633	406	92,569	201,260	876,644	610,150	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	82,707,643	14,836,208	2,972,203	3,830,509	8,948,826	7,399,696	6,767,422	25,433,934	2,885,439	2,014,139	6,986,134	40,121	-	694,012
	1,562,667,639	175,534,286	23,087,802	15,407,348	43,542,987	134,154,610	91,136,335	125,342,450	52,591,440	46,717,363	213,701,393	237,211,440	256,630,892	147,609,293
Liabilities														
Bills payable	39,169,649	1,305,655	7,833,930	9,139,585	20,890,479	-	-	-	-	-	-	-	-	-
Due to financial institutions	280,442,540	887,491	214,073,635	246,034	635,098	1,456,296	1,693,762	23,533,344	58,842	589,821	1,407,450	1,943,439	2,141,132	31,776,196
Deposits and other accounts	1,044,278,507	893,330,250	40,399,183	10,213,648	41,858,754	9,296,480	7,793,401	16,572,401	13,132,906	11,607,285	49,269	13,175	11,755	-
Lease liabilities	15,546,893	-	-	-	-	-	-	612	2,332	36,609	308,545	560,007	2,122,720	12,516,068
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	12,983,960	-	-	-	-	-	-	-	-	-	-	12,983,960	-	-
Other liabilities	61,884,721	12,177,547	2,494,643	2,129,629	5,750,937	3,919,060	6,999,377	13,447,459	4,200,558	6,255,934	4,461,968	47,604	1,005	-
	1,454,306,270	907,700,943	264,801,391	21,728,896	69,135,268	14,670,836	16,466,540	53,553,816	17,394,638	18,489,649	6,227,232	15,548,185	4,276,612	44,292,264
Net assets	108,361,369	(732,166,657)	(241,713,589)	(6,321,548)	(25,592,281)	119,483,774	74,649,795	71,788,634	35,196,802	28,227,714	207,474,161	221,663,255	252,354,280	103,317,029
Share capital	15,176,965													
Reserves	17,866,357													
Surplus on revaluation of assets - net	22,771,883													
Unappropriated profit	52,546,164													
	108,361,369													

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

46.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

In line with the SBP BSD Circular Letter No. 02 and 03 of 2011 on "Maturity and Profit rate sensitivity gap reporting", deposit withdrawal pattern analysis on current and saving accounts (CASA) is conducted on at least ten years weekly data. The outliers (seasonal variations) are adjusted from data using fourth spread statistical methodology. The regression methodology is used to estimate deposits withdrawal pattern of both current and saving deposits. This methodology is in line with industry best practices and regulatory guidelines.

2025										
Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Assets										
Cash and balances with treasury banks	103,857,836	10,479,256	2,918,405	4,252,978	9,736,672	17,624,675	23,113,561	12,405,819	23,264,155	62,315
Balances with other banks	6,732,657	6,732,657	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	634,939,757	-	4,037,728	5,213,459	157,918,135	197,583,978	71,270,909	166,152,878	32,762,670	-
Islamic financing and related assets	871,998,703	449,489,619	164,752,103	101,255,810	114,959,461	7,685,589	744,766	1,833,417	28,569,034	2,708,904
Property and equipment	52,997,191	927,583	6,972	44,474	2,537,897	3,026,272	1,138,596	10,162,038	8,705,176	26,448,183
Right-of-use assets	15,351,285	-	1,162	25,915	125,113	286,197	587,488	1,836,928	10,995,368	1,493,114
Intangible assets	2,312,447	149	2,066	1,613	266,006	443,562	326,813	981,751	290,487	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	86,539,679	20,755,315	25,730,533	25,412,627	7,365,806	7,058,742	50,655	-	166,001	-
	1,774,729,555	488,384,579	197,448,969	136,206,876	292,909,090	233,709,015	97,232,788	193,372,831	104,752,891	30,712,516
Liabilities										
Bills payable	33,288,005	33,288,005	-	-	-	-	-	-	-	-
Due to financial institutions	121,636,950	67,603,638	2,667,176	14,630,965	197,082	1,328,858	3,621,823	6,762,973	24,824,435	-
Deposits and other accounts	1,427,355,925	205,369,384	126,508,337	51,811,752	179,665,629	201,195,383	255,912,310	139,421,303	266,738,995	732,832
Lease liabilities	18,481,082	-	-	7,226	44,355	347,848	831,210	2,615,350	12,886,643	1,748,450
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	5,198,775	-	-	-	-	-	5,198,775	-	-	-
Other liabilities	53,319,204	14,625,910	18,134,061	10,783,619	9,711,475	22,749	41,141	249	-	-
	1,659,279,941	320,886,937	147,309,574	77,233,562	189,618,541	202,894,838	265,605,259	148,799,875	304,450,073	2,481,282
Net assets	115,449,614	167,497,642	50,139,395	58,973,314	103,290,549	30,814,177	(168,372,471)	44,572,956	(199,697,182)	28,231,234
Share capital	15,176,965									
Reserves	20,003,104									
Surplus on revaluation of assets - net	17,164,358									
Unappropriated profit	63,105,187									
	115,449,614									

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

2024									
Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Rupees '000									
Assets									
Cash and balances with treasury banks	102,537,577	8,238,894	2,045,625	3,014,605	6,357,330	12,837,705	28,469,558	15,816,421	46,142
Balances with other banks	5,539,464	445,096	110,512	162,860	343,447	693,541	1,538,032	854,462	2,493
Due from financial institutions	-	-	-	-	-	-	-	-	-
Investments	677,372,396	88,833,294	44,787,807	422,657,403	13,132,279	43,263,422	14,007,894	44,402,297	6,288,000
Islamic financing and related assets	633,909,548	433,540,967	92,175,521	24,749,466	30,507,172	15,386,895	6,842,595	1,080,279	25,530,043
Property and equipment	44,711,052	941,390	1,454	5,898	3,381,501	3,964,193	1,026,490	8,823,951	5,992,501
Right-of-use assets	13,289,601	-	6,822	9,671	84,249	311,565	436,160	1,512,954	9,795,036
Intangible assets	2,600,358	-	-	454	410,454	501,398	201,260	876,644	610,148
Deferred tax assets	-	-	-	-	-	-	-	-	-
Other assets	82,707,643	30,487,746	14,166,118	25,433,934	4,899,578	6,986,134	40,121	-	694,012
	1,562,667,639	562,487,387	153,293,859	476,034,291	59,116,010	83,944,853	52,562,110	73,367,008	76,010,058
Liabilities									
Bills payable	39,169,649	39,169,649	-	-	-	-	-	-	-
Due to financial institutions	280,442,540	215,842,258	3,150,056	23,533,344	648,663	1,407,450	1,943,439	2,141,132	31,741,065
Deposits and other accounts	1,044,278,507	164,579,892	34,895,699	43,085,185	80,765,823	113,048,510	246,100,067	137,116,011	224,277,709
Lease liabilities	15,546,893	-	-	612	38,941	308,545	560,007	2,122,720	11,147,614
Subordinated sukuk	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	12,983,960	-	-	-	-	-	12,983,960	-	-
Other liabilities	61,884,721	22,552,756	10,917,437	13,447,459	10,456,492	4,461,968	47,604	1,005	-
	1,454,306,270	442,144,555	48,963,192	80,066,600	91,909,919	119,226,473	261,635,077	141,380,868	267,166,388
Net assets	108,361,369	120,342,832	104,330,667	395,967,691	(32,793,909)	(35,281,620)	(209,072,967)	(68,013,860)	(191,156,330)
Share capital									
Share capital	15,176,965								
Reserves	17,866,357								
Surplus on revaluation of assets - net	22,771,883								
Unappropriated profit	52,546,164								
	108,361,369								

Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2025

46.6 Derivative risk management

The Bank's derivatives risk management is performed under market risk management which is an independent unit reporting to the Chief Risk Officer. The risk management policies are governed by the regulatory and internal guidelines. The risk management department of the Bank reviews credit risk, market risk and other risks associated with the derivative transactions or related area of the activity and assigns limits within which the transactions / area of activity can be carried out. Furthermore, Banks' derivative portfolio is on run off basis due to conversion. Adherence to these limits is ensured through independent monitoring and control functions.

There are a number of risks undertaken by the Bank, which need to be monitored and assessed. The management of risks includes the following primary components:

- comprehensive risk measurement approach;
- detailed structure of limits, guidelines and other parameters used to govern risk taking; and
- strong management information system for controlling, monitoring and reporting risks.

Major risks associated with the derivative instruments are market risk, credit risk and liquidity risk. The Bank uses FIS-System to measure and manage these risks which provides end-to-end capability with respect to transaction life cycle.

Market risk

Market risk is the risk that the value of a derivative contract will be adversely affected by movements in equity prices, profit rates, currency exchange rates and commodity prices. The authority for approving policies, limits and periodic reviews rest with the Board of Directors. The critical measures used to manage market risks are profit rate delta and currency delta basis. These measures involve extreme shifts in a variety of parameters, such as FX rates, profit rates, equity prices, implied volatility levels and combinations of the above. These measures are calculated through the relevant systems.

Credit risk

Credit risk is the risk that a party to a derivative contract will fail to perform its obligation. There is a settlement risk associated with the derivative transactions. Settlement risk is monitored on a daily basis. Risk management department of the Bank sets the policies and limits for counterparty risk based on a pre-defined criteria linked with the internal risk rating of the customer.

Liquidity risk

Liquidity risk is managed as part of the overall liquidity risk of the Bank. The risk management policies related to liquidity risk are explained in note 46.5 to these unconsolidated financial statements.

47 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on February 19, 2026 by the Board of Directors of the Bank.

48 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

49 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

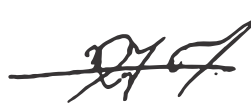
The Board of Directors in its meeting held on February 19, 2026 has proposed a final cash dividend of Rs. 2 per share (20%) for the year ended December 31, 2025. This is in addition to Rs. 4.5 already paid during the year bringing the total dividend for the year to Rs. 6.5 per share (2024: Rs. 7). These unconsolidated financial statements for the year ended December 31, 2025 do not include the effect of this appropriation which will be accounted for subsequent to the year end.



President & CEO



Chief Financial Officer



Chairman



Director



Director

Annexure I to the Unconsolidated Financial Statements

Statement showing written-off financing or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2025 as referred in note 10.9.2 to these unconsolidated financial statements.

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Total (7+8+9)			Principal written-off	Profit / Return written-off	Other Financial Reliefs provided	Total (11+12+13)
						Principal	Profit / Return	Others	Total	7	8	9				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	Rupees '000		
1	Punjab Beverages Co. (Pvt.) Ltd.	ASKARI VILLAS NO. 7, SARWAR SHAHEED ROAD, NEAR RAHAT BAKERS, LAHORE	1-OMER FAROOQ 2-FAROOQ AHMAD KHAN	1-35201-3225587-3 2-35201-4848795-7	1-FAROOQ 2-ABDUL MAJID KHAN	44,144	143,325	-	187,469	-	143,325	-	-	-	143,325	
2	Evin Chemicals Corporation	959-NAQSHBAND COLONY, RASHEEDABAD, MULTAN	1-MIAN MANZOOR AHMED 2-CH. TAUJEEF AHMED 3-MUHAMMAD LATIF 4-MUHAMMAD HANIF TARIQ	1-36603-0346108-3 2-36302-2784093-9 3-35201-8390365-9 4-31205-3464301-9	1-CHIRAGH DIN 2-BASHER AHMED 3-NAZIR AHMED 4-NAZIR AHMED	-	102,112	-	102,112	-	102,112	-	-	-	102,112	
3	Ajmal Rice Traders	SHOP NO 58-59, NEW GHALLA MANDI, OPPOSITE DOMORIA PULL LAHORE	SHEIKH MUHAMMAD AJMAL	35202-4690066-5	MUHAMMAD ANWAR	-	7,833	-	7,833	-	7,833	-	-	-	7,833	
4	Mian Plastic Industry	REHMAT COLONY WANDALA ROAD SHAHDARA LAHORE	MUHAMMAD YAHYA	35202-2745395-7	ABDUL AZIZ	-	2,429	-	2,429	-	1,929	-	-	-	1,929	
5	Jhelum Foods	1ST FLOOR SUBWAY BUILDING, G.T.ROAD RATHIAN, JHELMUM	OASIM MEHMOOD	37301-2205749-1	AZIZ UR REHMAN	6,833	4,114	-	10,947	-	4,193	-	-	-	4,193	
6	Suzuki Saitok Motor	CHOWK DIBURJI MALLIAN,DASKA ROAD, SIALKOT	SULTAN MAHMOOD	34601-1688338-3	ALLHA RAKHA	110,647	265,609	-	376,256	-	238,836	-	-	-	238,836	
7	J A Textile Mills Ltd.	JK HOUSE, 32-W, SUSAN ROAD, MADINA TOWN, FAISALABAD	1-LIAQAT ALI 2-MUHAMMAD ANWAR UL HAQ 3-MS. QURATULAIN ZAHID 4-MUHAMMAD ALI 5-ZAHID ANWAR 6-IMRAN ZAHID 7-RIAZ AHMED	1- 33100-0279691-9 2- 33101-1691643-9 3- 33100-0663808-2 4- 33100-0698580-3 5- 33100-069854-5 6- 33100-069856-5 7- 33100-7382121-5	1-MUHAMMAD SHARIF 2-SHUKAR DIN JANJUA 3-ZAHID ANWAR 4-MUHAMMAD NAWAZ 5-HAJI ANWAR ELAHI 6-ZAHID ANWAR 7-FAZAL HUSSAIN	40,000	94,375	-	134,375	-	88,830	-	-	88,830		
8	Al-Anneen Construction (Pvt) Limited	F/3, 22-A, NATIONAL, HOMES, NEW MUSLIM TOWN, LAHORE	1-AZEH KHAWAJA 2-KHALID WAHEED KHAWAJA 3-MANSOOR AKHTAR KHAN	1- 276-46-062175 2- 266-93-051215 3- 270-61-124302	1-KHALID WAHEED KHAWAJA 2-MUHAMMAD AMIN KHAWAJA 3-WAHEED AKHTAR KHAN	-	50,307	-	50,307	-	50,107	-	-	-	50,107	
9	Ali Textiles	4-KM Jaranwala Road, Khurian Wala, FAISALABAD	MUNIR AHMED	33100-8668851-9	KHALIL AHMED	65,000	22,448	-	87,448	-	19,473	-	-	-	19,473	
10	Tauqir Brothers (Pvt) Ltd	JANDA ROAD,MEHMOOD BOTIBUND ROAD,LAHORE	1-MUHAMMAD TANVEER ANJUM 2-SHAZIA TANVEER 3-MUHAMMAD UMAR TAUQIR 4- RUKHSANA TAUSEEF 5- SUMAIRA TAUJEEF 6- MUHAMMAD TAUSEEF	1- 35201-2487953-9 2- 35202-1079495-6 3- 35202-4091724-1 4- 35202-4981269-0 5- 35202-4982314-0 6- 35202-9867986-7	1- MUHAMMAD IBRAHIM 2- TANVEER ANJUM 3- MUHAMMAD TAUJEEF 4- MUHAMMAD TAUSEEF 5- MUHAMMAD TAUJEEF 6- MUHAMMAD IBRAHIM	105,884	80,742	-	186,626	-	72,425	-	-	72,425		
11	Riaz Hussain Shah	HOUSE 819 SCHEME III,ASKARI ROAD CHAKLALA RAWALPINDI	RIAZ HUSSAIN SHAH	37405-1076348-5	SYED DILAWAR HUSSAIN	2,674	9,781	-	12,455	-	9,781	-	-	-	9,781	
12	Al-Azzi Bailers	22- Amir Colony, OKARA	MUHAMMAD AJMAL AZIZ	35302-1077883-7	MIAN WAJID ALI	100	6,786	-	6,886	-	5,521	-	-	-	5,521	
13	5 Star Packages	INDUSTRIAL ESTATE LINK ROAD- MULTAN	1-ANILA ALI 2-SYED FATEH ALI GARDEZI	1-36302-6891291-2 2-36302-9004469-9	1-SYED FATEH ALI GARDEZI 2-SYED HAMID SHAH GARDEZI	2,500	2,643	-	5,143	-	1,690	-	-	-	1,690	

Annexure I to the Unconsolidated Financial Statements

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Principal	Profit / Return	Others	Total (7+8+9)	Principal written-off	Profit / Return written-off	Other Financial Reliefs provided	Total (11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Rupees '000													
14	IMS Aman Traders	1766MASJID SATYANA RD FS FAREED ABAD COLONY DERA GHAZI KHAN	MUHAMMAD SABIR FIDA	32102-9228684-9	MALIK FIDA HUSSAIN	2,496	4,176	-	6,672	-	4,327	-	4,327
15	New Horizon International	SUIT NO 41ST FLOOR TWIN CITY CENTRE I-8 ISLAMABAD	1-YOUSAF FAREED 2-Naveed Ahmed 3-Khwar FAREED 4-saeed FAREED	1-36302-4310807-3 2-36302-4654156-1 3-36302-7048586-7 4-36302-7712380-7	1-GHULAM FAREED 2-GHULAM FAREED 3-GHULAM FAREED 4-GHULAM FAREED	4,450	11,882	-	16,332	-	10,832	-	10,832
16	Sonica Auto Industries Pvt Ltd	Near Hamza Flour Millspondi bypass GUJRANWALA	1-SHAHID MEHMOOD 2-MUHAMMAD WAQAR 3-MUHAMMAD NADEEM 4-MAQSOOD AHMED 5- MUNWAR HUSSAIN	1-34101-3605909-7 2-34101-4307868-1 3-34101-5739300-7 4-34101-9337804-5 5-34101-9475292-7	1- MUHAMMAD ALI 2- MUHAMMAD ALI 3- MUHAMMAD ALI 4- MUHAMMAD ALI 5- MUHAMMAD ALI	-	2,198	-	2,198	-	1,771	-	1,771
17	Sonica Plastic Industry	GT ROAD NEAR PINDIBAY PASS GUJRANWALA	1-MUHAMMAD NAEEM 2-MAQSOOD AHMED 3-MUNAWAR HUSSAIN	1-34101-8085093-5 2-34101-9337804-5 3-34101-9475292-7	1-MUHAMMAD ALI 2-MUHAMMAD ALI 3-MUHAMMAD ALI	11,519	14,496	-	26,015	-	12,574	-	12,574
18	Fayyaz Trolley Makers	POSTI DAKHANA Nagar PO Deera Bakha, MILLS BAHAWALPUR	FAYYAZ AHMED	31202-0224987-7	ALLAH WASAYA	2,496	2,345	-	4,841	-	1,918	-	1,918
19	IMS Karam Wire Industries	Rehman Sheehar Road, GUJRAT	QADEER ANJUM KHAN	34201-9229875-1	MIAN KHAN	-	11,647	-	11,647	-	10,992	-	10,992
20	Pakistan Freight Plus	SAAD BUILDING OFFICE NO.5 OPP SHAHEEN CARGO COMPLEX JILLANBAD RAWALPINDI	1-MOHAMMAD SHAKIL 2-KHALIL AHMED 3-FAIZ RASOOL 4-ZAHOR AHMAD	1-300-99-231525 2-37405-2867159-7 3-37405-8318717-5 4-81302-5798255-7	1-MUHAMMAD HANIF 2-MUHAMMAD HANIF 3-MUHAMMAD ASLAM 4-MUHAMMAD LATIF	-	3,685	-	3,685	-	2,585	-	2,585
21	Hameed Sons	OFFICE NO.45 NEW GRAIN MARKET FAISALABAD ROAD CHINOT	1-KHALIL AHMAD 2-MUHAMMAD AQEEL 3-MUHAMMAD SHAKEEL	1-33201-0346758-9 2-33201-1550154-7 3-33201-1550161-9	1-ABDUL HAMEED 2-ABDUL HAMEED 3-ABDUL HAMEED	7,497	7,152	-	14,649	-	8,038	-	8,038
22	Asghar Agro Services	Basement No.332 Civic Center Johar Town LAHORE	1-AFTAB ASGHAR 2-ASGHAR ALI BAJWA	1-35202-0741050-7 2-35202-9729886-9	1-ASGHAR ALI BAJWA 2-CHAUDHRY REHMAN ALI	14,981	22,106	-	37,087	-	20,810	-	20,810
23	Ashtaq Hammed Khan	H.NO. 615 SECTOR A-1TOWN SHIP TEHSIL LAHORE CITY LAHORE	ASHFAQ HAMEED KHAN	35202-6875738-9	ABDUL HAMEED KHAN	409	14,051	-	14,460	-	11,568	-	11,568
24	Hamad Sikandar Rice Mills	6 K.M FRAWIND ROAD, WANGA MANDI LAHORE	1-HAFEEZ BEGUM 2-KARAMAT ALI	1-33100-68115023-4 2-35202-1789732-1	1-MUHAMMAD RASHEED 2-MUHAMMAD HANIF	10,989	15,579	-	26,578	-	12,829	-	12,829
25	Crown Property Center	JALAL CHEEMA COLONY, QAMAR SIALVI ROAD ROAD GUJRAT	MUHAMMAD MUZAFFAR	34201-1927080-9	MUHAMMAD NASRULLAH	8,993	9,261	-	18,254	-	7,070	-	7,070
26	New Lahore Motors	Suite No. 3, 2nd Floor, Al Marij, 7-E, Main Market, Gulberg, Lahore	1-MUHAMMAD YAQOUB TOOR 2-NASRULLAH	1-35202-0744857-5 2-35202-7648826-7	1-FAOIR MUHAMMAD TOOR 2-MUHAMMAD BOOTA	2,111	1,316	-	3,427	-	1,096	-	1,096
27	Stara Peroxide Limited	601/602 BUSINESS CENTRE MUMTAZ HASSAN ROAD KARACHI	1-SHARMEEN IMRAN 2-IMRAN GHAFOR 3-SAOIB ANJUM 4- SAIB BIN SAEED 5- JUNAD MAKDA 6- YASIR AHMED AWAN 7- HAROON AHMED ZUBERI	1-33100-7986578-0 2-33100-8871999-3 3-35202-1782302-1 4-37405-0657351-3 5-42201-6409408-9 6- 42201-6716227-5 7- 42301-4917502-1	1-IMRAN GHAFOR 2- HAJI ABDUL GHAFOR 3- ANJUM NISAR 4- SHEIKH MUHAMMAD SAEED 5- ISMAIL 6- MIR MUHAMMAD AWAN 7- MUSTAFA AHMED ZUBERI	8,917	37,943	-	46,860	-	35,611	-	35,611

Annexure I to the Unconsolidated Financial Statements

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Principal	Profit / Return	Others	Total (7+8+9)	Principal written-off	Profit / Return written-off	Other Financial Reliefs provided	Total (11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Rupees '000													
28	Saleem Traders (Prop Arif Hussain)	House No. 240, Muradabad Colony, Chak 47 NB, SARGHODA	ARIF HUSSAIN	38403-2165538-3	NAZIR AHMAD	799	1,127	-	1,926	-	1,164	-	1,164
29	Diamond Hardware Store	H.NO P-1548-A, ASGHAR MALL SCHEME, RAWALPINDI	SHEKH RASHID SAIFI	37405-9106788-1	SHEKH SAIF UD DIN	4,477	1,761	-	6,238	-	2,034	-	2,034
30	S.N.K Enterprises	OFFICE NO 4 SECOND FLOOR CITY CENTER F-7 ISLAMABAD	1-NASIM AKHTAR GILLANI 2-JAVED AKHTAR 3-JAWAD RAFIQ HAIDER 4- KHALID RASHID	1-35302-1930223-8 2-37405-382397-4-9 3- 61101-1880999-1 4- 61101-1928204-3	1-MALIK MANZOOR HUSSAIN 2-FAZAL DAD 3- MUHAMMAD RAFIQ HAIDER 4- MUHAMMAD RASHID SIDDIQUI	-	10,203	37	10,240	-	8,540	-	8,540
31	Nawaz Food Industries (Pvt)Ltd	43 GST 7G-10/1 ISLAMABAD	1-MUHAMMAD RAFIQ BHOJANI 2-ZAIN ABBAS	1-42301-5826754-5 2-42301-8731139-5	1-SULEMAN 2-MUHAMMAD RAFIQ	-	13,110	-	13,110	-	10,110	-	10,110
32	M.A. & Brothers	243 SHERE RABBANI TOWN OKARA	MUNIR AHMED	35502-1874634-9	HAJI ILAM DIN	3,464	8,046	-	11,510	-	4,897	-	4,897
33	Easy Wear Industries	DEFENCE ROAD RAILWAY CROSSING CHOWK SHAHTAB PURA SIALKOT	1-MUHAMMAD AKBAR 2-MUHAMMAD IQBAL 3- MUHAMMAD YOUNAS 4- MUHAMMAD ASGHAR	1-34603-3881554-3 2-34603-4856460-3 3-34603-8648107-1 4-34603-9633159-5	1-NOOR HUSSAIN 2-NOOR HUSSAIN 3-NOOR HUSSAIN 4-NOOR HUSSAIN	822	1,624	-	2,446	-	1,778	-	1,778
34	Rana Zahid Hameed & Khalida Rana	MOHALLAH KANGNI WALA GUJRAWALA	RAMA ZAHID HAMEED KHALIDA RAMA	1-34101-3735474-7 2-34101-624230-6	RAMA ABDUL HAMEED RAMA ZAHID HAMEED	520	2,577	-	3,097	-	2,629	-	2,629
35	Mohammad Ali Abbas Kharal	H.NO. 216 STREET 22KH-E IQBAL DEFENCE HOUSING AUTHORITY PHASE-8KARACHI	MOHAMMAD ALI ABBAS KHARAL	42301-1457508-3	M ALI SHAHZAD KHARRAL	7,800	536	12,797	21,133	-	13,332	-	13,332
36	Raey Shahadat Ali Shad	FLAT NO 129-ABLOCK N, MODEL TOWN EXTENSION, LAHORE	RAEY SHAHADAT ALI SHAD	35402-7633490-1	RAEY SOHAWA KHAN	1,000	2,241	-	3,241	-	1,990	-	1,990
37	Iram Naz	VILLAGE SONO KHAN LASHARI, DEH BAKHSO LASHARI, HYDERABAD	IRAM NAZ	41303-5630181-0	GHULAM MUSTAFA LASHARI	1,000	160	1,579	2,739	-	1,639	-	1,639
38	Ali Nawaz Mari	ALI NAWAZ MARIMARI HOUSE, H NO 148, MOH KHAN RD, JHELMUM	ALI NAWAZ MARI	42201-9513510-1	MANTHAR MARI	-	32	1,086	1,118	-	1,118	-	1,118
39	Muhammad Ali	GOTH WALI MUHAMMAD MANGRIO DEH DHARORO II, TEHSIL SINDHRI, DISTRICT MIRPUR KHAS	MUHAMMAD ALI	44103-6263258-7	WALI MUHAMMAD MANGRIO	-	-	2,356	2,356	-	2,356	-	2,356
40	Sajid Ali Khan	MOUZA RASHEEDPUR, TEHSIL 18-HAZARI, DISTRICT JHANG	SAJID ALI KHAN	33202-1410288-1	MUHAMMAD NAWAZ KHAN	-	4,835	-	4,835	-	4,233	-	4,233
41	Malik Muhammad Iqbal Jati	Chah Beni Wala Mouza Thathi Samja, PO Khas Tehsil & District Lodhran	MALIK MUHAMMAD IQBAL JATIAL	36203-7887250-1	MALIK KHUDA BAKHS	2,500	628	13,747	16,875	-	14,125	-	14,125
42	Muhammad Saif Mangrio	GOTH HAJI MEHRAN MANGRIO GHARO SHARIF TEHSIL KHIPRO DISTRICT SANGHAR	MUHAMMAD SAHIL MANGRIO	44202-6673642-3	MUNIR MEHRAN MANGRIO	948	72	1,545	2,565	-	1,266	-	1,266
43	Kashif Ghani Memon	FLAT NO. B/508, BLOCK 8, CLIFTON, KARACHI	KASHIF GHANI MEMON	41405-3074778-9	ABDUL GHANI MEMON	1,920	241	5,446	7,607	-	4,686	-	4,686

Annexure I to the Unconsolidated Financial Statements

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year					Principal written-off	Profit / Return written-off	Other Financial Reliefs provided	Total
						Principal	Profit / Return	Others	Total (7+8+9)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Rupees '000														
44	Rehman	GHOT MUHAMMAD JAM MANGRIO DEH 71MIRPUR KHAS	REHMAN	44205-2128714-1	M JAM	436	43	757	1,236	-	692	-	692	
45	Mir Mushtaq Ali Talpur	BANGLOW NO# 65/3S, TREET NO. 34 KHAYABANE BADDER, DHA, KARACHI	MIR MUSHTAQE ALI TALPUR	41307-6505807-3	MIR INAYAT ALI TALPUR	3,993	5,961	-	9,954	-	4,525	-	4,525	
46	Mian Khalid Mustafaa Makwal	H 149- SECTOR-MOHALLAD-H 149- SECTOR--MIRPUR KHAS	MIAN KHALID MUSTAFA MAKWAL	32304-1565219-3	MUHAMMAD MURTAZA	2,499	3,631	-	6,130	-	3,255	-	3,255	
47	Muhammad Khan	GOTH ABDUL WAHIDAPAS, DAK KHANA KHIPARO-KIMARO TEHSIL KHIPRO-DISTRICT SANGHAR	MUHAMMAD KHAN	44202-7945599-1	KHAIR MUHAMMAD	1,818	1,756	-	3,574	-	925	-	925	
48	Muhammad Siddique	VILLAGE PO KHOJIANHAN WALA CHAK #8; TEGURAT	MUHAMMAD SIDDIQUE	34201-1646204-9	ALLAH DITTA	-	-	1,070	1,070	-	1,070	-	1,070	
49	Attia Naz	Sultan pur Mela, JAM MANGRIO DEH 71Distt. Sargodha SARGHODA	ATTIA NAZ	38401-0230688-6	ASGHAR HAMEED	653	2,838	-	3,491	-	2,013	-	2,013	
50	Malik Irfan Ahmed	CHAK-238 GB PATSHAH KAWALIA FAISALABAD FAISALABAD	MALIK IRFAN AHMED	33104-0215245-5	MALIK M SAEED	1,433	122	2,074	3,629	-	1,429	-	1,429	
51	Usman Hameed Mela	H NO 1133MAHAR BURRIROAD, SARGHODA	USMAN HAMEED MELA	38401-0267433-3	ASGHAR HAMEED MELA	2,040	3,312	-	5,352	-	2,678	-	2,678	
52	Muhammad Siddique	15 IQBAL STREET 15 MULTAN	MUHAMMAD SADIQUE	36303-2164459-7	CH MUHAMMAD ISMAIL	-	19	1,124	1,143	-	841	-	841	
53	Asad Ali Shah & Insan Ali Shah	PO KHASKHUTYALA VIRKANTEHSIL MURIDKE DISTRICT SHEKHUPURA	1-ASAD ALI SHAH 2-AHSAN ALI SHAH	1-35401-1854306-5 2-35401-1854306-7	1-AHSAN ALI SHAH 2-QARBAN ALI SHAH	850	1,562	-	2,412	-	1,351	-	1,351	
54	Afzal Naveed	P-15 ST#2 AL FIST NO. 9, FAISALABAD	AFZAL NAVEED	33100-1019725-1	CH ASGHAR GILL	1,000	148	1,978	3,126	-	1,626	-	1,626	
55	Chaudhary Nizam Din And Co	HOLI FAMILY ROADDA MANDI PAKPATTAN 045732374 0 PAK PATTAN	CHAUDHRY LIAQAT ALI	36402-9033239-1	CH NIZAM UD DIN	3,497	4,171	-	7,668	-	3,961	-	3,961	
56	Amjad Farooq & Sultan Mehmood	SULTAN MEHMOOD PO KHAS#295 JB DEVIDAS PUR P.O SAME TOBA TEK SINGH	SULTAN MEHMOOD	33303-3122909-9	MANZOOR AHMED	3,789	6,371	-	10,160	-	5,491	-	5,491	
57	Malik Poultry Farms	H NO 343 H-1MARI HOUSE TOWN LAHORE	MALIK WAQAR AHMAD AZIZ	37404-0261760-5	Aziz Ahmed Khan	1,200	66	2,598	3,864	-	2,364	-	2,364	
58	Sharazad Mangrio	HOUSE NO.18/SNEAR NOHANI BUILDINGPARO LAL CHANDABAD MIRPUR KHAS	SHAHZAD MANGRIO	44103-2535218-3	WALI MUHAMMAD	6,500	785	10,372	17,657	-	10,158	-	10,158	
59	Muhammad Alam	KOT MAGHANHALPOTO KHIPLO TAPAL GHARGIRHORE SHARIF SANGHAR	MUHAMMAD ALAM	44202-9813900-9	HAJI MUHAMMAD	1,354	163	1,884	3,401	-	1,559	-	1,559	
60	Rehman Afridi	MOUZA AND VILLAGE SHAREEKEERABAD ABER PESHAWAR	REHMAN AFRIDI	22501-3471777-7	NIAMAT KHAN	-	15	939	954	-	854	-	854	
61	Syed Shah Zaman Shah	10W # 19 HAPPY HOME PHASE 11 QASIMABAD HYDERABAD HYDERABAD	SYED SHAH ZAMAN SHAH	41306-3845455-1	SYED AHMED SHAH	3,504	603	13,661	17,768	-	13,264	-	13,264	

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S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year					Principal Return written-off	Profit / Return written-off	Other Financial Reliefs provided	Total
						Principal	Profit / Return	Others	Total (7+8+9)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Rupees '000														
62	Awais And Co Commission Agents	NADIR SHAH BAZAR HOUSE NO 198 JAMIA STREET BAHAWALNAGAR	MUHAMMAD ARSHAD	31101-8718714-1	MUHAMMAD SABIR	3,568	1,118	12	4,698	-	1,068	-	1,068	
63	Adnan Liaqat Wirk	HOEKEY P.O SAME HOEKEY TEHSIL AND DIST. SHEKHUPURA	ADNAN LIAQAT WIRK	35404-0533479-7	MIAN LIAQAT HAYAT	-	153	601	754	-	634	-	634	
64	Muhammad Ayyaz Kalroo Rahim Baksh Kai	CHAH LASHKAR KHANWALA MOUZA BUTCH MUBARAK PO SURAJ MIANI TEHSIL AND DISTRICT MULTAN	MALIK AYAZ KALROO	36303-763484-5	MALIK RAHIN BUKSH	801	18	1,726	2,545	-	1,219	-	1,219	
65	Inayat Ullah Khan Gopang	MOUZA KOTLA SHERMUHAMMAD, PO MEHRAYTEHSIL & DISTT. RAJANPUR	INAYAT ULLAH KHAN GOPANG	32403-9887721-1	DUR MUHAMMAD KHAN GOPANG	2,583	196	1,207	3,986	-	1,186	-	1,186	
66	Zulfiqar Ali & Allan Yar Khan Ss/O Qutab Ali	CHAK NO 608 CHAK NO 608 CHAK NO 608 FAISALABAD	ZULFIQAR ALI	33106-2549734-5	QUTAB ALI	-	-	1,896	1,896	-	1,846	-	1,846	
67	Paragon Technologies	HOUSE NO 134 B MOHALLAH VALENCIA TOWN LAHORE	MUMTAZ AHMAD CHAUDHARY	35202-1502310-1	CHAUDHARY BASHIR AHMAD	6,331	1,676	-	8,007	-	1,257	-	1,257	
68	Malik Muhammad Siddique	BASTI GANJAY MOCHIAN WAHI SHAH MUHAMMAD PO NOOR PURI NORANGA BAHAWALPUR	MUHAMMAD SIDDIQUE	31202-0317876-1	MALIK KHUDA BAKHSH	1,146	-	2,219	3,365	-	2,065	-	2,065	
69	Hafeez Protein Farm	MAUZAFAT UWANA SAE DI OKARA	1-ABDUL RASHEED 2-MUHAMMAD NAZIR	1-35302-3028922-7 2-35302-9258152-5	1-GHAFOOR AHMAD 2-ABDUL GHAFOOR	169	-	2,652	2,821	-	2,321	-	2,321	
70	Ali Hameed S/O Chaudhary Abdul Hameed	CHAK NO 4 B CCHAK NO 4 B CCHAK NO 4 B C Bahawalpur	ALI HAMEED	31202-3034249-7	CH. ABDUL HAMEED	1,278	78	1,366	2,722	-	1,221	-	1,221	
71	Mian Maqbool Ahmed Nasir	CHAK NO 38 J.B. TEHSIL AND DISTT FAUJ FAISALABAD	MIAN MAQBOOL AHMED NASIR	33100-1737871-5	GULAM MUHAMMAD	2,853	-	4,378	7,231	-	3,737	-	3,737	
72	Bell Force Engineers	House No. 46 Railway Housing Society Laifabad No. 3 HYDERABAD	SHUAHAT ALI	41304-1839214-5	WAJAHAT ALI KHAN	10,818	11,937	-	22,755	-	12,061	-	12,061	
73	Al- Tajir Co. (Pvt) Ltd.	703 BUSINESS & FINANCE II CHUNDRIGAR KARACHI	1-KHURRAM BURNLEY 2-SYED SHAMS AHMED BURNLEY 3-SHOAB AHMED BURNLEY 4-MUHAMMAD TAYYAB	1-42201-1320894-7 2-42201-1933877-1 3-42201-7996796-5 4-54201-2441034-9	1-SYED MUKHTAR AHMED BURNLEY 2-SYED MUKHTAR AHMED BURNLEY 3-SYED MUKHTAR AHMED BURNLEY 4-MUHAMMAD TAHIR	6,218	3,361	-	9,579	-	3,361	-	3,361	
74	Classic Denim Mills (Pvt) Ltd	PLOT 14, SECTOR-20, KORANGI INDUSTRIAL AREA KARACHI	1-SALEEM AHMED 2-SHAHZAD HAROON 3- VASHDEV RAKHANI	1-42000-4730399-9 2-42301-1065237-5 3-42301-7832646-3	1-MOHAMMAD IBRAHIM AHMED 2-MOHAMMAD HAROON 3- NENO MAAL	34,113	2,967	27,427	64,507	16,613	30,393	-	47,006	
75	Farooqi Fisheries	D-27 S.I.T.E, NORTH KARACHI, K.D.A SCHEME NO.33, KARACHI	1-HASSAN AHMED FAROOQUI 2-MOHAMMAD AHMED FAROOQUI	1-42201-2362383-7 2-42201-9748292-3	1-GHULAM RABBANI 2-GHULAM RABBANI	21,697	47,501	41,340	110,538	-	79,012	-	79,012	

Annexure I to the Unconsolidated Financial Statements

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written-off	Profit / Return written-off	Other Financial Reliefs provided	Total (11+12+13)
						Principal	Profit / Return	Others	Total (7+8+9)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Rupees 1000-----													
76	Zeeshan Babar Khan	H No R-8/49 Bk 19 Fb Area Al Noor Society Khl Near Noor Hospital Khl Karachi	Zeeshan Babar Khan	42101-6183673-7	MASHA ALLAH KHAN	530	37	4	571	530	37	4	571
77	Qaiser Abbas	Chak Kanday Wala P/O Ko T Chutia Mohmori Dg Khan Dera-Ghaz-Khan	Qaiser Abbas	32102-0394811-3	MUHAMMAD BUKHSH	484	39	5	528	484	39	5	528
78	Kaleem Akhtar	Office No#201 & 202, 2ND Floor A.R.K Business Center, Block C, Faysal Town F Islamabad	Kaleem Akhtar	35201-5815098-7	MIRZA MUHAMMAD RAMZAN	666	33	4	703	666	87	4	757
79	Muhtd Asad Rafique	House No. 8/2/A, Street 18, Dha Phase 5, Off Khayaban-E- Tauheed,, Karachi	Muhtd Asad Rafique	42201-4394863-5	MUHTD RAFIQUE CHOUDHARY	526	-	11	537	-	170	390	550
80	Nasir Ishaq Khan	PROPERTY BEARING KHEWAT # 402, KHATOONI # 706, KHASRA NO. 639 TO 645, QITAT 7, TOTL MEASURING 46-KANAL & 14-MARLA, SHARE TRANSFERRED 5934 IE 05-MARLA, STAUTED AT NEW LAL PURA, CHAPARD AREA, SHAKARGARH, DISTRICT NAROWAL.	Nasir Ishaq Khan	56302-8809790-9	MUHAMMAD ISHAQ KHAN	1,976	608	-	2,584	-	851	-	851
81	Khizer Ahmed	OFF#206 2ND FLR HORIZON TOWER BLK-3 KHAYBAN E SADI CLIFTON KHL	Khizer Ahmed	42201-0147294-7	MANZOOR AHMED	823	80	-	903	-	716	46	762
82	Jahanzeh Iqbal	Residential House Bearing Khewat No. 191, Khatooni No. 398 to 399, Salam Khata 132K-05-M, Segregated share 33/23805, Measuring 03-M 06-S, As per Register Haq Daran Zameen for the year 2008-09, Situated at moiza chak No. 168/10-R, Tehsil & District Khanewal.	Jahanzeh Iqbal	36103-3360443-1	MUHAMMAD IQBAL	3,480	206	-	3,686	-	3,480	-	3,480
83	Muhammad Saeed Anwar Awan	Lahore	Muhammad Saeed Anwar Awan	33100-9886196-5	Anwar Awan	-	-	-	-	-	1,575	116	1,691
84	Muhammad Saeed Anwar Awan	Lahore	Muhammad Saeed Anwar Awan	33100-9886196-5	Anwar Awan	-	-	-	-	-	796	134	930
85	Arslan Ahmed Khan	41 - b, green cfti burki rd near paragorn cfti, UPPER portion , LAHORE Punjab	Arslan Ahmed Khan	42201-0535469-3	ANWAR AHMED KHAN	625	-	-	625	806	-	-	806
86	Nadeem Ali Zaib Rizvi	HOUSE #579 AMIN TOWNGREEN VIEW HOUSING COLONYFAISALABAD.	Nadeem Ali Zaib Rizvi	33100-8660316-1	SYED AL TAF	-	-	-	-	-	4,811	122	4,933
						613,151	1,099,108	159,898	1,872,157	19,099	1,175,972	811	1,195,882

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Directors' Report

Consolidated Financial Statements

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Faysal Bank Limited Group, along with Audited Consolidated Financial Statements and the Auditors' Report for the year ended December 31, 2025.

Group Profile

Faysal Bank Limited (FBL) Group structure is as follows:

Holding Company : Faysal Bank Limited
 Subsidiaries : Faysal Asset Management Limited
 Faysal Islami Currency Exchange Company (Private) Limited

Subsidiaries

- Faysal Asset Management Limited

FBL has 99.9% shareholding in Faysal Asset Management Limited (FAML). FAML is an unlisted public limited company registered as a Non-Banking Finance Company (NBFC), licensed to carry out asset management and investment advisory services under the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

FBL also has significant influence based on its holding in the following open-ended mutual funds managed by FAML.

Open-ended Mutual Fund
Faysal Halal Amdani Fund
Faysal Islamic KPK Government Pension Fund - Equity Sub Fund
Faysal Islamic KPK Government Pension Fund - Debt Sub Fund
Faysal Islamic KPK Government Pension Fund – Equity Index Sub Fund
Faysal Islamic KPK Government Pension Fund - Money Market Sub Fund
Faysal Islamic Savings Growth Fund
Faysal Islamic Special Income Fund - FISIP-I
Faysal Islamic Pension Fund – Debt Sub Fund
Faysal Islamic Pension Fund - Money Market Debt Sub Fund
Faysal Islamic Sovereign Fund - FISP-I
Faysal Islamic Stock Fund
Faysal Islamic Stock Fund – II
Faysal Islamic Cash Fund
Faysal Islamic Asset Allocation Fund - III -(Faysal Shariah Flex Plan-II)
Faysal Islamic Mustakil Munafa Fund-(Faysal Islamic Mehdoon Muddat Plan-I)
Faysal Khushal Mustaqbil Fund- Faysal Barak'ah Women Savers Plan
Faysal Khushal Mustaqbil Fund- Faysal Nu'umah Women Savers Plan
Faysal Islamic Punjab Pension Fund-Debt Sub Fund
Faysal Islamic Punjab Pension Fund-Equity Active Sub Fund
Faysal Islamic Punjab Pension Fund-Equity Index Sub Fund
Faysal Islamic Punjab Pension Fund-Money Market Sub Fund

- Faysal Islami Currency Exchange Company (Private) Limited (FICECL)

FICECL operates as a wholly owned subsidiary. It was incorporated on January 16, 2024 under the Companies Act, 2017. The company received its “Certification of Incorporation” from SECP on January 16, 2024 and obtained an operating license from State Bank of Pakistan on March 26, 2024. The principal activities of the Company are dealing in foreign exchange and facilitating remittances.

Financial Highlights:

Key Balance Sheet Numbers	2025	2024	Growth
	Rs. in million		%
Investments	636,088	678,255	-6.2%
Financing – net	872,024	633,990	+37.5%
Total Assets	1,777,010	1,564,615	+13.6%
Deposits	1,426,836	1,044,016	+36.7%
Profit & Loss Account			
Total Revenue	102,068	100,182	+1.9%
Total Expenses	(58,951)	(51,341)	+14.8%
Share of profit of associates	274	448	-38.8%
Profit before tax & provisions	43,390	49,289	-12.0%
Net Provision (charge) /reversal	4,879	2,463	+98.1%
Profit before tax	48,269	51,751	-6.7%
Taxation	(25,800)	(27,860)	-7.4%
Profit after tax	22,469	23,892	-6.0%
Earnings per share (Rupees)	14.80	15.74	-6.0%
Gain realized directly in equity (net of tax) on disposal of equity securities & property	1,456	209	+597%

As we reflect on our journey, we must first and foremost thank Allah (SWT) for His Blessings without which none of our achievements would have been possible. On a consolidated basis, the Profit After Tax (PAT) stood at PKR 22.5 billion translating into Earnings Per Share (EPS) of PKR 14.80 (Dec'24: 15.74).

FAML demonstrated continued improvement in performance, with Assets Under Management (AUMs) reaching PKR 273 billion as of December 31, 2025, reflecting 11% increase from PKR 246 billion last year. FAML made Profit After Tax of PKR 900 million during 2025 registering a 6.4% increase over last year. FAML delivered steady financial performance and remained resilient in the current economic environment.

FICECL started its operations last year and has incurred a loss of PKR 117 million during 2025 as compared to Profit after tax of PKR 31 million during 2024.

Credit Rating

VIS Credit Rating Company Limited (VIS) has upgraded the FBL's entity rating, while Pakistan Credit Rating Agency Limited (PACRA) have re-affirmed the rating as follows:

	VIS	PACRA
Long Term	AA+	AA
Short Term	A1+	A1+

VIS has assigned a 'Stable' outlook, while PACRA has upgraded the outlook to 'Positive'.

VIS has assigned Management Quality rating of AM 1 to FAML (2024: AM 1). The rating signifies asset manager exhibiting very good management characteristics.

Holding Company

Ithmaar Bank B.S.C (closed), a banking entity regulated by the Central Bank of Bahrain, is the parent company holding directly and indirectly 66.78% (2024: 66.78%) of the Bank's shares. Ithmaar Bank B.S.C. (closed) is a wholly owned subsidiary of Ithmaar Holdings B.S.C. Dar Al-Maal Al-Islami Trust (DMIT) is the holding entity of Ithmaar Holding B.S.C. and the ultimate parent Company of the Bank. DMIT was formed by an indenture under the laws of the Commonwealth of The Bahamas for the purpose of conducting business affairs in conformity with Islamic law, principles, and traditions.

Dividend

The Board of Directors, in the meeting held on February 19, 2026, has recommended a final cash dividend of Rs 2 per share (20%) for the year ended December 31, 2025. This is in addition to Rs 4.5/- already paid during the year bringing the total dividend for the year to Rs 6.5 per share (2024: Rs 7.0/-).

Other information

For other information kindly refer to the unconsolidated financial statements Directors' report.

Heartfelt Thanks: Acknowledging Our Pillars of Strength

On behalf of the Board and the Management, we extend gratitude to our esteemed shareholders for their unwavering support. We are indebted to our customers for their continuous confidence and trust. We also would like to place on record our appreciation for the Government of Pakistan, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued support and guidance, for developing and strengthening the banking and financial services sector through continuous improvement in the regulatory and governance framework.

As always, we would also like to express sincere appreciation for the Shariah Board. We wish to express our heartfelt appreciation to every member of our dedicated team for their tireless efforts and unwavering commitment to enhance the growth of FBL. Above all, we humbly express our profound gratitude to Allah Almighty for His continued blessings and guidance upon our Bank and all its members.

Approval

In compliance with the requirement of the Companies Act, 2017, this Directors' Report, with the recommendations of the Board Audit and Corporate Governance Committee, has been approved by the Directors in their meeting held on February 19, 2026 and signed by the Chief Executive Officer and Chairman.



President & CEO

Karachi

Dated: February 19, 2026



Chairman

دیگر معلومات

دیگر معلومات کے لیے براہ مہربانی ان کنسولیڈیٹڈ فنانشل اسٹیٹمنٹس کی ڈائریکٹر رپورٹ ملاحظہ کریں۔

ہماری طاقت کے ستونوں کے لیے دلی اظہارِ تشکر

بورڈ اور انتظامیہ کی جانب سے، ہم اس موقع پر شیئر ہولڈرز کا شکریہ ادا کرتے ہیں کہ انہوں نے ہم پر غیر متزلزل اعتماد کیا ہے۔ ہم اپنے صارفین کے تہہ دل سے مشکور ہیں، جنہوں نے اپنے کاروبار اور پختہ یقین کے ساتھ ہم پر اعتماد کو مسلسل جاری رکھا۔ ہم ریگولیٹری اور گورننس فریم ورک میں مسلسل بہتری کے ذریعے بینکنگ اور فنانشل سروسز سیکٹر کے فروغ کے لیے ان کے مسلسل تعاون اور رہنمائی پر اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے بھی شکر گزار ہیں۔

ہمیشہ کی طرح، ہم شریعہ بورڈ کے مشکور ہیں اور FBL کی ترقی کے لیے اپنے ملازمین کی کوششوں کو تسلیم کرتے ہیں اور ان کی انتھک لگن اور محنت کو دل سے سراہتے ہیں۔ اس سے بڑھ کر، ہم اپنے دل کی گہرائیوں سے اللہ تبارک و تعالیٰ کی ذات کا شکر ادا کرتے ہیں کہ باری تعالیٰ کی رحمت اور عنایت سے بینک اور اس کے ممبران ان کوششوں کے قابل ہوئے ہیں۔

منظوری

کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق، بورڈ کی آڈٹ اور کارپوریٹ گورننس کمیٹی کی منظوری کے ساتھ ڈائریکٹرز کی اس رپورٹ کو بورڈ آف ڈائریکٹرز نے 19 فروری 2026 کو ہونیوالے اپنے اجلاس میں منظور کیا اور اس پر چیف ایگزیکٹو آفیسر اور چیئر مین نے دستخط ثبت کئے ہیں۔



چیئر مین



صدر اور سی ای او

کراچی

تاریخ: 19 فروری 2026

جب ہم اپنے سفر پر غور کرتے ہیں تو FBL نے اپنی ترقی کی رفتار کو برقرار رکھا ہے، یہ سب کچھ صرف اور صرف اللہ تعالیٰ کے فضل و کرم کی بدولت ہوا اس کے بغیر یہ سب کچھ ممکن نہ تھا۔ مجموعی بنیاد پر، FBL نے 22.5 ارب روپے کا بعد از ٹیکس منافع (PAT) حاصل کیا، جس میں فی شیئر آمدنی 14.80 روپے ہو گئی۔ (دسمبر 15.74: 24)

FAML نے 31 دسمبر 2025 تک کارکردگی میں بہتری دکھائی اور ایسیٹ انڈر مینجمنٹ (AUMs) 273 بلین روپے تک پہنچ گئے جو گزشتہ سال 246 بلین روپے سے 11% اضافے کی عکاسی کرتا ہے۔ FAML نے 2025 کے دوران 900 ملین روپے کا ٹیکس کے بعد منافع کمایا جو گزشتہ سال کے مقابلے میں 6.4 فیصد اضافے کو ظاہر کرتا ہے۔ FAML نے مستحکم مالی کارکردگی کا مظاہرہ کرتے ہوئے موجودہ معاشی ماحول میں پائیدار کارکردگی دکھائی۔

FIECL نے گزشتہ سال کے دوران اپنا کام شروع کیا اور 2024 میں 31 ملین روپے کے ٹیکس کے بعد منافع کے مقابلے میں 2025 میں 117 ملین روپے کا نقصان اٹھایا۔

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) اور پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے فیصل بینک لمیٹڈ کے لیے درج ذیل درجہ بندیوں کی تصدیق کی ہے:

VIS	PACRA	طویل المدتی
AA+	AA	
A1+	+A1	قلیل المدتی

VIS نے درجہ بندیوں کو 'مستحکم' قرار دیا جبکہ PACRA نے 'مثبت' آؤٹ لک کے ساتھ اپ گریڈ کیا ہے۔

VIS نے FAML کی مینجمنٹ کو الٹی ریٹنگ کو AM1 ریٹنگ سے نوازا ہے (1 AM: 2024) یہ درجہ بندی نشاندہی کرتی ہے کہ اثاثہ منہج بہت اچھی انتظامی خصوصیات کا مظاہرہ کر رہا ہے۔

ہولڈنگ کمپنی

الٹار بینک (B.S.C. کلوزڈ)، جو کہ سینٹرل بینک آف بحرین کالاسنس یافتہ ادارہ ہے، جو بالواسطہ اور بلاواسطہ طور پر 66.78% (2024: 66.78%) حصص کے ساتھ بینک کا سربراہ ادارہ ہے۔ الٹار بینک (B.S.C. کلوزڈ)، الٹار ہولڈنگ B.S.C کی مکمل ملکیت کا ذیلی ادارہ ہے اور دارالمال الاسلامی ٹرسٹ (DMIT) فیصل بینک کا اعلیٰ ترین سربراہی ادارہ ہے۔ DMIT کا قیام کامن ویلتھ آف بہاماس کے قوانین کے تحت عمل میں آیا تاکہ اسلامی قوانین، اصولوں اور روایات کے مطابق کاروباری امور سرانجام دیئے جائیں۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 19 فروری 2026 کو منعقد ہونے والے اجلاس میں 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے 2 روپیہ فی شیئر (20%) کے حتمی نقد ڈیویڈنڈ کی منظوری دی کی ہے۔ یہ سال کے دوران ادا کر دیئے گئے 4.5 روپے کے علاوہ ہے، اس طرح سال کا کل ڈیویڈنڈ 6.5 روپے فی شیئر ہو گیا (2024: 7 روپے)۔

فیصل خوشحال مستقبل فنڈ - فیصل نمرہ ویمن سیورز پلان
فیصل اسلامک پنجاب پینشن فنڈ - ڈیٹ سب فنڈ
فیصل اسلامک پنجاب پینشن فنڈ - ایکویٹی ایکٹیو سب فنڈ
فیصل اسلامک پنجاب پینشن فنڈ - ایکویٹی انڈیکس سب فنڈ
فیصل اسلامک پنجاب پینشن فنڈ - منی مارکیٹ سب فنڈ

- فیصل اسلامی کرنسی ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ (FICECL)

فیصل اسلامی کرنسی ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ FBL کی مکمل ملکیتی ذیلی کمپنی کے طور پر کام کرتی ہے۔ اسے پاکستان میں کمپنیز ایکٹ 2017 کے تحت 16 جنوری 2024 کو شامل کیا گیا۔ کمپنی نے 16 جنوری 2024 کو SECP سے اپنا "انکارپوریشن سرٹیفکیٹ" حاصل کیا اور 26 مارچ 2024 کو اسٹیٹ بینک سے آپریشنل لائسنس بھی حاصل کیا۔ کمپنی فارن ایکسچینج (غیر ملکی کرنسی کا کاروبار) کر رہی ہے اور ریگولیٹرز (تزیلات زر) کی سہولت فراہم کر رہی ہے۔

مالیاتی جھلکیاں:

بیلنس شیٹ کے نمایاں اعداد و شمار			
نمو	2024	2025	
%	ملین روپے		
-6.20%	678,255	636,088	سرمایہ کاری
+37.50%	633,990	872,024	فنانسنگ
+13.60%	1,564,615	1,777,010	کل اثاثہ جات
+36.70%	1,044,016	1,426,836	ڈپازٹس
نفع و نقصان کا اکاؤنٹ			
+1.90%	100,182	102,068	کل آمدنی
+14.80%	(51,341)	(58,951)	کل اخراجات
-38.80%	448	274	ایسوسی ایٹس سے نفع کا حصہ
-12.00%	49,289	43,390	قبل از ٹیکس پروویژنز نفع
+98.10%	2,463	4,879	نیٹ پروویژن ریورسل / (چارج)
-6.70%	51,751	48,269	قابل از ٹیکس نفع
-7.40%	(27,860)	(25,800)	ٹیکس
-6.00%	23,892	22,469	بعد از ٹیکس نفع
-6.00%	16	15	فی حصص آمدن (روپے)
+597%	209	1,456	ایکویٹی سیکورٹیز اور جائیداد کی فروخت سے حاصل ہونے والا منافع جو براہ راست ایکویٹی میں تسلیم کیا گیا (بعد از ٹیکس)

ڈائریکٹرز کا جائزہ

کنسولڈیٹڈ مالیاتی گوشوارے برائے سال 2025

ہم بورڈ آف ڈائریکٹرز کی جانب سے، فیصل بینک لمیٹڈ گروپ کے 31 دسمبر 2025 کو اختتام پذیر سال کے لیے آڈٹ شدہ مجموعی مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

گروپ پروفائل

فیصل بینک لمیٹڈ (FBL) گروپ اسٹرکچر درج ذیل ہے:

ہولڈنگ کمپنی: فیصل بینک لمیٹڈ
ذیلی ادارے: فیصل ایسیٹ مینجمنٹ لمیٹڈ
فیصل اسلامی کرنسی ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ

ذیلی ادارے

- فیصل ایسیٹ مینجمنٹ لمیٹڈ
فیصل بینک لمیٹڈ (FBL) فیصل ایسیٹ مینجمنٹ لمیٹڈ (FAML) میں 99.9% حصص کا شراکت دار ہے۔ FAML ایک ان لسٹڈ پبلک لمیٹڈ کمپنی ہے جو ایک نان بینکنگ فنانس کمپنی (NBFC) کے طور پر رجسٹرڈ ہے، جسے نان بینکنگ فنانس کمپنیز (اسٹبلشمنٹ اینڈ ریگولیشنز) رولز، 2003 اور نان بینکنگ فنانس کمپنیز اور نوٹیفائیڈ انٹرمیڈیٹ ریگولیشنز 2008 کے تحت اثاثہ کے انتظام اور سرمایہ کاری کی مشاورتی خدمات سرانجام دینے کا لائسنس دیا گیا ہے۔
FBL کو FAML کے زیر انتظام مندرجہ ذیل ”اوپن اینڈ میوچل فنڈز“ میں ہولڈنگ کی بنیاد پر نمایاں اثر و رسوخ کا حامل ہے۔

اوپن اینڈ میوچل فنڈ
فیصل حلال آمدنی فنڈ
فیصل اسلامک KPK گورنمنٹ پنشن فنڈ - ایکویٹی سب فنڈ
فیصل اسلامک KPK گورنمنٹ پنشن فنڈ - ڈیٹ سب فنڈ
فیصل اسلامک KPK گورنمنٹ پنشن فنڈ - ایکویٹی انڈیکس سب فنڈ
فیصل اسلامک KPK گورنمنٹ پنشن فنڈ - منی مارکیٹ سب فنڈ
فیصل اسلامک سیونگ گروتھ فنڈ
فیصل اسلامک اسپیشل اکم فنڈ - FISIP -
فیصل اسلامک پنشن فنڈ - ڈیٹ سب فنڈ
فیصل اسلامک پنشن فنڈ - منی مارکیٹ ڈیٹ سب فنڈ
فیصل اسلامک ساورن فنڈ - FISIP -
فیصل اسلامک اسٹاک فنڈ
فیصل اسلامک اسٹاک فنڈ - II
فیصل اسلامک کیش فنڈ
فیصل اسلامک ایسیٹ ایلو کیشن فنڈ III - (فیصل شریعہ فلیکس پلان II -)
فیصل اسلامک مستقل منافع فنڈ - (فیصل اسلامک محدود مدت پلان I -)
فیصل خوشحال مستقبل فنڈ - فیصل برکہ ویمن سیورز پلان



Independent Auditor's Report

To the members of Faysal Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Faysal Bank Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit and loss account and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	Credit loss allowance against Islamic financing and related assets and off-balance sheet items: (Refer note 10 & 20.1 to the consolidated financial statements)	
	As at 31 December 2025, the Group's Credit loss allowance against Islamic financing and related assets and off-balance sheet items amounted to Rs. 19,755 million and Rs. 156 million, respectively.	Our audit procedures, amongst others, included the following: Performing risk assessment procedures over the credit loss allowance against Islamic financing and related assets and off-balance sheet exposure within the Group's unconsolidated

S.No.	Key Audit Matter	How the matter was addressed in our audit
	The Group recognizes Expected Credit Losses (ECL) on Islamic financing and related assets and off-balance sheet items in accordance with the requirements of IFRS 9 along with the Application instructions issued by the State Bank of Pakistan (SBP) ("herein referred to as application instructions of IFRS 9"). The estimation of ECL, involves judgement and complexity. The key areas which are subject to complexity and judgement in the estimation of ECL are: - Model estimations: judgmental modelling and assumptions are used to estimate ECL which involves determining Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). Respective model's assumptions are key driver of uncertainty, and are required in the application of these model for calculation of the ECL estimate. - Economic scenarios: IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Complex Statistical methodology is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. - Qualitative criteria: the criteria selected to identify a SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios. In line with the application instructions of IFRS 9, the Bank must compare the ECL for Stage 3 with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against the Islamic financing and related assets on the basis of time-based criteria which should be supplemented by a Bank's subjective evaluation of credit worthiness of customers. The determination of provision, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank.	financial statement. As part of these risk assessment procedures, identifying the elements associated with risk of material misstatement on application including those arising from judgements over the estimation of ECL either due to, methods / models, assumptions or data. - Assessing the design, implementation and operating effectiveness of key controls established by the Group over measurement of ECL and provision calculated as per PR. - We involved in-house specialist who assisted in the following: - Evaluating the Group's ECL model methodologies for compliance with application instructions of IFRS 9 - Assessing the reasonableness of the Group's methodology for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the assumptions, methodologies, and outputs of the models; - Assessing the reasonableness of macro-economic variables and economic forecasts by comparing these to external sourced data extracted; and - Performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. - Assessing the appropriateness of SICR criteria applied by the Group by ensuring that the SICR criteria and staging methodology are consistent with the application instructions of IFRS 9. - Ensuring relevance and completeness of the key inputs into the ECL calculations with their respective sub-ledgers and general ledgers. - Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents. - Performing sensitivity analysis on the key

S.No.	Key Audit Matter	How the matter was addressed in our audit
	Because of the high degree of estimation uncertainty and complexity involved in the calculation of ECL we considered the area of ECL as a key audit matter.	assumption, that is probability weighted economic scenarios, to assess reasonableness and the risk of biasness by changing weights assigned to each economic scenario. • In accordance with the PR, we sampled at least sixty percent of the total Islamic financing assets outstanding exposure and performed credit reviews through the following substantive procedures: - verifying repayments of Islamic financing / profit installments and checked that non-performing Islamic financing and related assets have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate; and - assessing the accuracy of specific provision made against non-performing Islamic financing and related assets in accordance with the criteria prescribed under the PRs by performing recalculation. • Assessing the appropriateness of ECL categorized as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 customers pursuant to the requirement of application instructions of IFRS 9. • Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.



Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to



draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Zeeshan Rashid.

Date: 5 March 2026

Karachi

UDIN:

**KPMG Taseer Hadi & Co.
Chartered Accountants**

Consolidated Statement of Financial Position

As at December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
ASSETS			
Cash and balances with treasury banks	7	103,998,902	102,600,657
Balances with other banks	8	6,732,747	5,539,562
Due from financial institutions		-	-
Investments	9	636,087,689	678,254,964
Islamic financing and related assets	10	872,023,994	633,990,216
Property and equipment	11	53,500,569	45,009,778
Right-of-use assets	12	15,390,549	13,297,784
Intangible assets	13	2,448,901	2,739,091
Deferred tax assets		-	-
Other assets	14	86,826,630	83,183,034
Total Assets		1,777,009,981	1,564,615,086
LIABILITIES			
Bills payable	15	33,288,005	39,169,649
Due to financial institutions	16	121,636,950	280,442,540
Deposits and other accounts	17	1,426,835,690	1,044,015,748
Lease liabilities	18	18,528,708	15,582,671
Sub-ordinated sukuk		-	-
Deferred tax liabilities	19	5,241,633	13,101,335
Other liabilities	20	53,717,598	62,378,109
Total Liabilities		1,659,248,584	1,454,690,052
NET ASSETS		117,761,397	109,925,034
REPRESENTED BY			
Share capital	21	15,176,965	15,176,965
Reserves		20,003,104	17,866,357
Surplus on revaluation of assets - net of tax	22	17,164,358	22,771,883
Unappropriated profit		65,416,540	54,109,488
Total equity attributable to the equity holders of the Bank		117,760,967	109,924,693
Non-controlling interest		430	341
		117,761,397	109,925,034

CONTINGENCIES AND COMMITMENTS

23

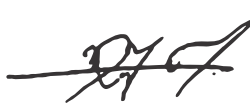
The annexed notes 1 to 50 and annexure I form an integral part of these consolidated financial statements.



President & CEO



Chief Financial Officer



Chairman



Director



Director

Consolidated Statement of Profit and Loss Account

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
Profit / return earned	25	165,991,746	225,156,415
Profit / return expensed	26	96,296,993	144,597,125
Net profit / return		69,694,753	80,559,290
OTHER INCOME			
Fee and commission income	27	15,764,935	12,818,295
Dividend income		493,827	375,531
Foreign exchange income		7,911,620	5,339,969
Income / (loss) from derivatives		1,056	(146,211)
Gain on securities	28	8,166,674	1,041,704
Net loss on derecognition of financial assets measured at amortised cost	29	(330,503)	(165,256)
Other income	30	365,317	358,276
Total other income		32,372,926	19,622,308
Total income		102,067,679	100,181,598
OTHER EXPENSES			
Operating expenses	31	57,909,122	50,214,596
Workers Welfare Fund		960,149	1,028,728
Other charges	32	81,521	97,238
Total other expenses		58,950,792	51,340,562
Share of profit from associates	9.5.1	273,506	447,564
Profit before credit loss allowance		43,390,393	49,288,600
Credit loss allowance and write offs - net	33	(4,878,800)	(2,462,672)
Other income / expense items		-	-
PROFIT BEFORE TAXATION		48,269,193	51,751,272
Taxation	34	25,799,888	27,859,540
PROFIT AFTER TAXATION		22,469,305	23,891,732
Attributable to:			
Equity holders of the Bank		22,469,216	23,891,649
Non-controlling interest		89	83
		22,469,305	23,891,732

Basic / diluted earnings per share

35 14.80 15.74

The annexed notes 1 to 50 and annexure I form an integral part of these consolidated financial statements.

President & CEO

Chief Financial Officer

Chairman

Director

Director

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2025

	2025	2024
	-----Rupees '000-----	
Profit after taxation for the year attributable to:		
Equity holders of the Bank	22,469,216	23,891,649
Non-controlling interest	89	83
	22,469,305	23,891,732
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	(7,264,622)	7,729,995
	(7,264,622)	7,729,995
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain / (loss) on defined benefit obligations - net of tax	75,056	(51,530)
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	752,882	1,293,151
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	1,319,510	(190,176)
Movement in deficit on revaluation of non-banking assets - net of tax	(322,214)	(1,824)
	1,825,234	1,049,621
Total comprehensive income for the year	17,029,917	32,671,348
Attributable to:		
- Equity holders of the Bank	17,029,828	32,671,265
- Non-controlling interest	89	83
	17,029,917	32,671,348

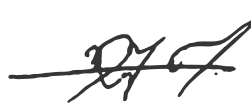
The annexed notes 1 to 50 and annexure I form an integral part of these consolidated financial statements.



President & CEO



Chief Financial Officer



Chairman



Director



Director

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

Share capital	Reserves					Surplus / (deficit) on revaluation of			Unappropriated profit	Non-controlling interest	Total
	Capital reserves			Statutory reserve (note 6.28)	Total	Investments	Property and equipment / non-banking assets	Total			
	Share premium	Non-distributable capital reserve (NCR) - gain on bargain purchase (note 3.2)	Reserve arising on amalgamation (note 6.2)								

Note ----- Rupees '000-----

Balance as at December 31, 2023	15,176,965	10,131	188,301	23,952	15,393,804	15,616,188	3,349,029	11,821,788	15,170,817	44,961,035	258	90,925,263
Impact of adopting IFRS 9 as at January 1, 2024 - net of tax	-	-	-	-	-	-	(895,105)	-	(895,105)	(2,858,792)	-	(3,753,897)
Restated balance as at January 1, 2024 (Audited)	15,176,965	10,131	188,301	23,952	15,393,804	15,616,188	2,453,924	11,821,788	14,275,712	42,102,243	258	87,171,366
Profit after taxation for the year	-	-	-	-	-	-	-	-	-	23,891,649	83	23,891,732
Other comprehensive income - net of tax												
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	7,729,995	-	7,729,995	-	-	-	7,729,995
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	1,293,151	-	1,293,151	-	-	-	1,293,151
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(51,530)	-	(51,530)
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(190,176)	(190,176)	-	-	-	(190,176)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(1,824)	(1,824)	-	-	-	(1,824)
Total other comprehensive income - net of tax	-	-	-	-	-	9,023,146	(192,000)	8,831,146	(51,530)	-	-	8,779,616
Gain on sale of equity instruments classified as FVOCI - net of tax	-	-	-	-	-	(208,848)	-	(208,848)	208,848	-	-	-
Transfer to statutory reserve	-	-	-	-	2,302,819	2,302,819	-	-	-	(2,302,819)	-	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	(126,127)	(126,127)	126,127	-	-	-
Amortisation of intangible assets - customer relationship - net of tax	-	-	(52,650)	-	-	(52,650)	-	-	-	-	-	(52,650)
Transaction with owners, recorded directly in equity												
Final cash dividend declared for the year 2023 on February 7, 2024 at Re 2 per share	-	-	-	-	-	-	-	-	-	(3,035,394)	-	(3,035,394)
First Interim cash dividend declared on April 25, 2024 at Re 1 per share	-	-	-	-	-	-	-	-	-	(1,517,697)	-	(1,517,697)
Second Interim cash dividend declared on August 28, 2024 at Rs 2 per share	-	-	-	-	-	-	-	-	-	(3,035,394)	-	(3,035,394)
Third Interim cash dividend declared on October 24, 2024 at Rs 1.5 per share	-	-	-	-	-	-	-	-	-	(2,276,545)	-	(2,276,545)
Balance as at December 31, 2024 (Audited)	15,176,965	10,131	135,651	23,952	17,696,623	17,866,357	11,268,222	11,503,661	22,771,883	54,109,488	341	109,925,034
Impact of adopting IFRS 9 as at January 1, 2025 - net of tax	-	-	-	-	-	-	1,714,963	-	1,714,963	-	-	1,714,963
Restated balance as at January 1, 2025	15,176,965	10,131	135,651	23,952	17,696,623	17,866,357	12,983,185	11,503,661	24,486,846	54,109,488	341	111,639,997
Profit after taxation for the year	-	-	-	-	-	-	-	-	-	22,469,216	89	22,469,305
Other comprehensive income - net of tax												
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	(7,264,622)	-	(7,264,622)	-	-	-	(7,264,622)
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	752,882	-	752,882	-	-	-	752,882
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	75,056	-	75,056
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	1,319,510	1,319,510	-	-	-	1,319,510
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(322,214)	(322,214)	-	-	-	(322,214)
Total other comprehensive (loss) / income - net of tax	-	-	-	-	-	(6,511,740)	997,296	(5,514,444)	75,056	-	-	(5,439,388)
Gain on sale of equity instruments classified as FVOCI - net of tax	-	-	-	-	-	(1,234,119)	-	(1,234,119)	1,234,119	-	-	-
Transfer to statutory reserve	-	-	-	-	2,170,341	2,170,341	-	-	-	(2,170,341)	-	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	(100,252)	(100,252)	100,252	-	-	-
Transfer from surplus on revaluation of non-banking assets on disposal - net of tax	-	-	-	-	-	-	(473,673)	(473,673)	222,626	-	-	(251,047)
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Amortisation of intangible assets - customer relationship - net of tax	-	-	(33,594)	-	-	(33,594)	-	-	-	-	-	(33,594)
Transaction with owners, recorded directly in equity												
Final cash dividend declared for the year 2024 on February 20, 2025 at Rs 2.5 per share	-	-	-	-	-	-	-	-	-	(3,794,241)	-	(3,794,241)
First interim cash dividend declared on April 24, 2025 at Rs 1.5 per share	-	-	-	-	-	-	-	-	-	(2,276,545)	-	(2,276,545)
Second interim cash dividend declared on August 28, 2025 at Rs 1.5 per share	-	-	-	-	-	-	-	-	-	(2,276,545)	-	(2,276,545)
Third interim cash dividend declared on October 23, 2025 at Rs 1.5 per share	-	-	-	-	-	-	-	-	-	(2,276,545)	-	(2,276,545)
Balance as at December 31, 2025	15,176,965	10,131	102,057	23,952	19,866,964	20,003,104	5,237,326	11,927,032	17,164,358	65,416,540	430	117,761,397

The annexed notes 1 to 50 and annexure I form an integral part of these consolidated financial statements.

President & CEO

Chief Financial Officer

Chairman

Director

Director

Consolidated Cash Flow Statement

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		48,269,193	51,751,272
Less: dividend income		(493,827)	(375,531)
Less: share of profit from associates		(273,506)	(447,564)
		47,501,860	50,928,177
Adjustments:			
Net profit / return income		(69,694,753)	(80,559,290)
Depreciation on property and equipment	11.2	5,105,499	3,314,299
Depreciation on right-of-use assets	12	2,523,345	2,115,753
Depreciation on non-banking assets	14.1.1	1,184	2,562
Amortisation of Intangible Assets	13.2	591,456	449,963
Workers Welfare Fund		960,149	1,028,728
Reversal of credit loss allowance and write offs - net	33	(4,878,800)	(2,462,672)
Net loss on derecognition of financial assets measured at amortised cost	29	330,503	165,256
Gain on sale of property and equipment - net	30	(75,608)	(40,632)
Gain on sale of non-banking assets - net	30	(75,000)	-
Charge for defined benefit plan	31.2	547,212	369,112
Loss / (income) from derivative contracts - net		(1,056)	146,211
		(64,665,869)	(75,470,710)
		(17,164,009)	(24,542,533)
Decrease / (increase) in operating assets			
Due from financial institutions		-	-
Securities classified as FVPL		1,651,268	6,127,434
Financing		(234,132,659)	(73,889,259)
Others assets (excluding advance taxation)		(12,469,998)	(10,359,774)
		(244,951,389)	(78,121,599)
(Decrease) / increase in operating liabilities			
Bills payable		(5,881,644)	22,619,180
Due to financial institutions		(158,805,590)	123,853,768
Deposits		382,819,942	25,750,769
Other liabilities (excluding current taxation)		(7,019,164)	16,713,082
		211,113,544	188,936,799
Income tax paid		(29,135,543)	(34,524,971)
Profit / return received		171,363,217	233,717,550
Profit / return paid		(92,908,225)	(145,973,012)
Contribution to gratuity fund		(653,132)	(281,910)
Net cash (used in) / generated from operating activities		(2,335,537)	139,210,324
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in amortized cost securities		2,775,017	(189,402)
Net investments in securities classified as FVOCI		26,938,418	(76,385,770)
Divestment / (investment) in associates - net		(565,131)	1,111,368
Dividends received		492,799	376,538
Investment in property and equipment		(12,029,662)	(18,681,925)
Investment in intangible assets		(377,267)	(817,265)
Disposal proceeds of property and equipment		759,840	39,568
Proceeds from sale of non-banking assets		925,000	-
Net cash generated from / (used in) investing activities		18,919,014	(94,546,888)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(3,814,662)	(3,769,535)
Dividend paid		(10,433,104)	(16,474,344)
Net cash used in financing activities		(14,247,766)	(20,243,879)
Increase in cash and cash equivalents during the year		2,335,711	24,419,557
Cash and cash equivalents at the beginning of the year	36	108,140,219	83,583,146
Effect of exchange rate changes on cash and cash equivalents		255,719	137,516
Cash and cash equivalents at the beginning of the year		108,395,938	83,720,662
Cash and cash equivalents at the end of the year	36	110,731,649	108,140,219

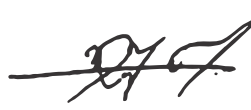
The annexed notes 1 to 50 and annexure I form an integral part of these consolidated financial statements.



President & CEO



Chief Financial Officer



Chairman



Director



Director

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1 STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

- (i) Faysal Bank Limited - Holding Company
- (ii) Faysal Islami Currency Exchange Company (Private) Limited - Subsidiary Company
- (iii) Faysal Asset Management Limited - Subsidiary Company

1.1.1 Holding Company - Faysal Bank Limited

Faysal Bank Limited (the Bank or the Holding Company) was incorporated in Pakistan on October 3, 1994 as a public limited company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are listed on the Pakistan Stock Exchange Limited. The Holding Company is engaged in Corporate, Commercial and Consumer banking activities. The Holding Company is operating through 900 branches (December 31, 2024: 855) including 2 sub-branches (December 31, 2024: 2).

The Registered Office of the Bank is located at Faysal House, ST-02, Shahrah-e-Faisal, Karachi.

Ithmaar Bank B.S.C (closed), a fully owned subsidiary of Ithmaar Holdings B.S.C is the parent company of the Bank, holding directly and indirectly 66.78% (2024: 66.78%) of the shareholding of the Bank. Dar Al-Maal Al-Islami Trust (DMIT), (ultimate parent of the Bank) is the holding company of Ithmaar Holdings B.S.C.

The State Bank of Pakistan has issued the Islamic Banking License No.BL(i) - 01 (2022) dated December 30, 2022 in the Bank's name, effective from January 1, 2023.

Based on the financial statements of the Bank for the year ended December 31, 2024, the VIS Credit Rating Company Limited has upgraded the Bank's medium to long-term as 'AA+' and reaffirmed the short-term rating as A1+ on June 30, 2025. The Pakistan Credit Rating Agency Limited (PACRA) have reaffirmed the Bank's long-term rating as 'AA' and the short term rating as 'A1+' on June 24, 2025.

1.1.2 Subsidiary Company - Faysal Islami Currency Exchange Company (Private) Limited

Faysal Islami Currency Exchange Company (Private) Limited (FICEC) is a private limited company, incorporated in Pakistan with the objective of dealing in foreign exchange and facilitating remittances. The registered office of FICEC is at ST-02, Faysal House, Shahrah-e-Faisal, Karachi.

	Percentage of holding	
	2025	2024
Faysal Islami Currency Exchange Company (Private) Limited	100.00%	100.00%

1.1.3 Subsidiary Company - Faysal Asset Management Limited

	Percentage of holding	
	2025	2024
Faysal Asset Management Limited - Subsidiary	99.99%	99.99%

Faysal Asset Management Limited (FAML) was incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on August 6, 2003 as an unlisted public limited company. The Subsidiary Company commenced its operations on November 14, 2003. The registered office of the Subsidiary Company is located at 7th Floor, West Wing, Faysal House, ST-02, Shahrah-e-Faisal, Karachi.

FAML is a Non-Banking Finance Company (NBFC), licensed to carry out asset management and investment advisory services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

VIS Credit Rating Company Limited has assigned Asset Management rating of Am1.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

The FAML currently manages the following Islamic Collective Investment Schemes and Voluntary Pension Schemes:

	Net asset value as at	
	December 31, 2025	December 31, 2024
-----Rupees '000-----		
Collective Investment Schemes (CISs)		
Islamic		
Faysal Islamic Savings Growth Fund (FISGF)	5,842	1,390
Faysal Islamic Asset Allocation Fund (FIAAF)	649	871
Faysal Islamic Asset Allocation Fund - II (FIAAF)	4,464	1,847
Faysal Islamic Stock Fund (FISF)	-	-
- Faysal Islamic Stock Fund I	2,839	586
- Faysal Islamic Stock Fund II	461	-
Faysal Halal Amdani Fund (FHAF)	49,441	66,468
Faysal Halal Amdani Fund (FHAF II)	36,086	-
Faysal Halal Amdani Fund (FHAF III)	205	-
Faysal Islamic Cash Fund (FICF)	53,518	52,548
Faysal Islamic Special Income Fund (FISIF)	-	-
- Faysal Islamic Special Income Plan I	273	141
- Faysal Islamic Special Income Plan III	-	718
Faysal Islamic Sovereign Fund (FISF)	-	-
- Faysal Islamic Sovereign Plan I	1,349	38,787
- Faysal Islamic Sovereign Plan II	1,425	43,053
Faysal Islamic Financial Growth Fund (FIFGF)	-	-
- Faysal Islamic Financial Growth Plan I	5,782	15,173
- Faysal Islamic Financial Growth Plan II	29,061	19,738
Faysal Islamic Financial Growth Fund II (FIFGF-II)	10,696	-
Faysal Islamic Mustakil Munafa Fund (FIMMF)	-	-
- Faysal Islamic Mehdood Muddat Plan-I	2,953	3,134
- Faysal Islamic Mehdood Muddat Plan-VI	7,687	-
- Faysal Islamic Mehdood Muddat Plan-XII	8,181	-
- Faysal Islamic Mehdood Muddat Plan-XIII	17,051	-
- Faysal Islamic Mehdood Muddat Plan-XIV	21,308	-
- Faysal Islamic Mehdood Muddat Plan-XV	1,376	-
Faysal Khushal Mustaqbil Fund (FKMF)	-	-
- Faysal Barak'ah Women Savers Plan	70	-
- Faysal Nu'umah Women Savers Plan	81	-
Faysal Islamic Financial Planning Fund-II	-	-
- Faysal Priority Ascend Plan-I	175	-
- Faysal Priority Ascend Plan-II	52	-
- Faysal Priority Ascend Plan-III	9,723	-
Faysal Islamic Asset Allocation Fund - III	-	-
- Faysal Shariah Flex Plan-I	1,269	-
- Faysal Shariah Flex Plan-II	101	-
	272,118	244,454
Conventional		
Faysal Stock Fund (FSF)	-	15
Faysal Income & Growth Fund (FIGF)	-	48
Faysal Savings Growth Fund (FSGF)	-	190
Faysal Asset Allocation Fund (FAAF)	-	9
Faysal Cash Fund (FCF)	-	1
Faysal Money Market Fund (FMMF)	-	165
Faysal Financial Sector Opportunity Fund (FFSOF)	-	197
Faysal MTS Fund (FMTSF)	-	88
Faysal Government Securities Fund (FGSF)	-	7
Faysal Special Savings Fund (FSSF)	-	-
- Faysal Special Savings Plan I	-	1
	-	721

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Voluntary Pension Schemes (VPSs)

Islamic

Faysal KPK Islamic Pension Fund (FKPKIPF)

- Faysal KPK Islamic Pension Fund - Equity
- Faysal KPK Islamic Pension Fund - Money Market
- Faysal KPK Islamic Pension Fund - Debt
- Faysal KPK Islamic Pension Fund - Equity Index

Faysal Islamic Pension Fund (FIPF)

- Faysal Islamic Pension Fund - Equity
- Faysal Islamic Pension Fund - Money Market
- Faysal Islamic Pension Fund - Debt

Faysal Islamic Punjab Pension Fund (FIPPF)

- Faysal Islamic Punjab Pension Fund - Equity Active
- Faysal Islamic Punjab Pension Fund - Money Market
- Faysal Islamic Punjab Pension Fund - Debt
- Faysal Islamic Punjab Pension Fund - Equity Index

Conventional

Faysal Pension Fund (FPF)

- Faysal Pension Fund - Equity
- Faysal Pension Fund - Money Market
- Faysal Pension Fund - Debt

Net asset value as at	
December 31, 2025	December 31, 2024
-----Rupees '000-----	
1	1
42	37
1	1
1	1
-	-
123	90
465	281
206	89
-	-
-	-
1	-
1	-
-	-
841	500
-	-
-	77
-	56
-	49
-	182

The FAML is also managing investments under discretionary portfolio management agreements.

2 BASIS OF PRESENTATION

- 2.1** The Holding Company provides financing mainly through Murabaha, Musawamah, Istisna and other Islamic modes as briefly explained in note 6.7 to these consolidated financial statements.

The purchases and sales arising under these arrangements are not reflected in these consolidated financial statement as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognized in accordance with the principles of Islamic Shari'ah. However income, if any, received which does not comply with the principles of Islamic Shari'ah, is recognised as charity payable if so directed by the Shari'ah Board of the Holding Company.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and the financial statements of the Subsidiary Companies from the date from which control of the Subsidiary Companies by the Group commences until the date on which control ceases. The financial statements of the Subsidiary Companies are incorporated on a line-by-line basis and the investment held by the Bank is eliminated against the corresponding share capital and pre-acquisition reserve of the Subsidiary Companies in the consolidated financial statements.

The financial statements of the Subsidiary Companies are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company.

Investments in associates are accounted for under the equity method of accounting and are initially recognised at cost, thereafter for the post acquisition change in the Group's share of net assets of the associates. The consolidated profit and loss account reflects the Group's share of the results of operations of the associate. These consolidated financial statements include the Group's share of income and expenses of associates from the date that significant influence commences until the date that such influence ceases. Non-controlling interest is that part of the net results of operations and of net assets of the subsidiary attributable to interests which are not owned by the Holding Company.

All material intra-group balances and transactions have been eliminated.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3 STATEMENT OF COMPLIANCE

3.1 These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards applicable in Pakistan for financial reporting comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as 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 State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The State Bank of Pakistan (SBP) has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. The impact of profit of financing in advance stage is Rs. 2,285 million excluding any Effective Profit Rate (EIR) effect.

The Holding company has received deferment of recording income and expense at Effective profit Rate via letter from SBP till December 31, 2025. Consequently, these deferred requirements of IFRS 9 have not been considered in the preparation of these annual consolidated financial statements. Nevertheless, the Holding Company has performed a preliminary assessment of the potential impact of adoption of these deferred requirement based on its consolidated statement of financial position as at December 31, 2025. The impact of changes in accounting policy on adoption of effective profit rate is not significant.

3.2 As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as Non-distributable Capital Reserve (NCR). The SBP allowed the Holding company to adjust the amortisation of intangible assets against the portion of reserve which arose on account of such assets identified as a result of such acquisition. Accordingly, during the year ended December 31, 2025, the Holding company has adjusted an amortisation of intangible assets net of tax amounting to Rs. 33.594 million (2024: Rs. 52.650 million) from the NCR.

3.3 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3, 'Profit and loss sharing on deposits' for Institutions offering Islamic Financial Services (IIFS) relating to annual, half yearly and quarterly financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IIFS. These reporting requirements have not been notified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these consolidated financial statements.

3.4 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial instruments: disclosures' through its S.R.O. 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

3.5 The SECP through S.R.O. 56(1)/2016 dated January 28, 2016, has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds are not considered in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3.6 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year

There are certain new and amended standards, interpretations and amendments that are mandatory for the the Holding Company's accounting periods beginning on January 1, 2025 but are considered not to be relevant or do not have any significant effect on the Bank's operations are therefore not detailed in these annual consolidated financial statements except for note 6.1.

3.7 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective

3.7.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations or amendments	Effective date (annual periods beginning on or after)
Annual Improvements to IFRS Accounting Standards - Amendments to:	
- IFRS 1 First- time Adoption of International Financial Reporting Standards;	January 1, 2026
- IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7;	January 1, 2026
- IFRS 10 Consolidated Financial Statements; and IAS 28 - Sale and contribution of assets between an investor and its associates or joint venture	January 1, 2026
- IAS 7 Statement of Cash flows	January 1, 2026
- Amendments to IAS 21 - Hyperinflationary presentation currency	January 1, 2026
- Adoption of IFRS 18 - Presentation and Disclosure in Financial Statements	January 1, 2027
- IFRS S1 - General Requirements for Disclosure of Sustainability - related Financial Information	January 1, 2026
- IFRS S2 - Climate-related Disclosures	January 1, 2026
- IFRS 9 - Certain requirements of IFRS 9 were deferred by the SBP is explained below	January 1, 2026

The management of the Group is assessing the impact of the changes in the above mentioned standards on the consolidated financial statements.

Profit / return earned and Profit / return expensed

Profit income and expense are recognised in profit or loss using the effective profit rate. The 'effective profit rate' (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.
- The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

In calculating profit income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, profit income is calculated by applying the credit-adjusted EIR to the amortised cost of the asset. The calculation of profit income does not revert to a gross basis, even if the credit risk of the asset improves.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Except for the certain requirement of IFRS 9 deferred by the SBP as mentioned above, the Bank expects that the amendments to other applicable and existing accounting and reporting standards effective from the annual period beginning on or after January 1, 2026 will not have a material impact on the annual unconsolidated financial statements of the Bank.

3.7.2 As required under SBP Letter No. BPRD/LD-01/850/28853/2022-13054, the details of the net conventional funded portfolio as at December 31, 2025 are as follows:

	Note	Rupees in '000
Assets		
Investments		4,214,715
Financing - net		462,612
Liabilities		
Deposits and other accounts		2,167,290
Other liabilities	20	297,692

All efforts are being put in to convert or dispose-off the residual portfolio and appropriate monitoring mechanisms are in place. Quarterly progress report on the status of the residual portfolio is shared with the Holding company's Board of Directors, the Shari'ah Board and the State Bank of Pakistan.

3.7.3 Profitability from residual (ring-fenced) non-Shari'ah compliant portfolio

In compliance with the principles of Shari'ah, the Shari'ah Board of the Holding Company has approved the "Conventional profitability cleansing framework" ('the Framework'). According to the Framework, any income accruing on the ring-fenced portfolio during the year, net-off attributable expenses and charges, is booked as charity payable under other liabilities. The conventional profitability is calculated in light of Shari'ah principles, the guidance of the Shari'ah Board and the understanding available as at the computation date, changes, if any, may be adjusted retrospectively.

3.7.4 Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain accounting estimates. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets, liabilities, income, and expenses. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgement was exercised in the application of accounting policies are as follows:

- i) Business combinations (note 6.2);
- ii) Classification of investments (note 6.5.1 and 9);
- iii) Valuation of financial assets and liabilities as per IFRS 9, associates and joint ventures (note 6.5.1 and 6.7);
- iv) Measurement of the expected credit loss allowance (notes 6.5.9);
- v) Valuation and depreciation of property and equipment (note 6.8 and 11.2);
- vi) Taxation (note 6.11 and note 34);
- vii) Valuation of non-banking asset acquired in satisfaction of claims (note 6.12 and 14);
- viii) Valuation of defined benefit plan (note 6.14 and 38);
- ix) Valuation and depreciation of right-of-use assets and their related lease liability (note 6.26, 12 and 18).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

4 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except for certain property and equipment and non-banking assets acquired in satisfaction of claims which have been carried at revalued amounts, certain investments and derivative contracts which have been marked to market and are carried at fair value, obligations in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and costs as disclosed in details in note 6.26 to these consolidated financial statements) and depreciated over the respective lease terms.

5 FUNCTIONAL AND PRESENTATION CURRENCY

5.1 Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

5.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

6 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2024, except for the following.

6.1 Change in accounting policy

Unlisted Equity Securities

In accordance with BPRD Circular Letter No. 16 dated July 29, 2024, SBP has relaxed the banks for the application of IFRS 9 'Financial Instruments' to measure unlisted equity securities at fair value under IFRS 13 effective from January 1, 2025. Therefore, the Holding Company has taken the impact of fair value adjustment to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at January 1, 2025 is shown below:

Financial Asset / Liabilities	Balances as of December 31, 2024	Impact due to remeasurements	Taxation	Impact - net of tax	Balances as of January 1, 2025
----- Rupees '000-----					
Assets					
Investments					
- FVOCI	655,755,487	3,648,857	-	3,648,857	659,404,344
Liabilities					
Deferred tax liabilities	13,101,335	-	1,933,894	1,933,894	15,035,229
Equity					
Surplus on revaluation of assets - net of tax	22,771,883	3,648,857	(1,933,894)	1,714,963	24,486,846

6.2 Business Combinations

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed as at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated profit and loss account. However, as more fully described in note 13.3 to these consolidated financial statements, the gain on bargain purchase arising on an acquisition made in 2010 has been recognised directly in equity as per the directives of the SBP.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any. Goodwill acquired in a business combination is tested for impairment annually or whenever there is an indication of impairment as per the requirements of International Accounting Standard (IAS) 36, 'Impairment of assets'. Impairment charge in respect of goodwill is recognised in the consolidated profit and loss account and is not subsequently reversed.

Acquisition of non-controlling interests (NCI) is measured at the proportionate share of the NCI in the fair value of the net assets acquired by the Group. The excess of the fair value of consideration transferred over the proportionate share of the NCI in the fair value of the net assets acquired is recognised in equity. (Referring to the 'Reserve arising on amalgamation').

6.3 Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise of cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts.

6.4 Due to / Due from financial institutions

(a) Musharaka / Mudaraba placements

In Musharaka / Mudaraba, the Holding Company (or the counterparty financial institutions / the SBP) invests in the Shari'ah compliant business pools of the counterparty financial institutions / the SBP at the agreed profit and loss sharing ratio under musharaka agreements.

(b) Bai Muajjal

In Bai Muajjal, the Holding Company sells Shari'ah compliant instruments on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the sale and the credit price is recognised over the credit period and recorded as income. Bai Muajjal with Federal Government is classified as investment.

(c) Musharaka from the SBP under IERS

Under IERS, the Holding Company accepts funds from the SBP under Shirkat-ul-aqd to constitute a pool for investment in export refinance portfolio of the Holding Company under the guidelines issued by the SBP. The profit of the pool is shared as per the agreed weightages between the partners.

(d) Mudaraba investment from the SBP under various long term Islamic refinance schemes

Under various long term Islamic refinance schemes of the SBP, the Holding Company accept funds from the SBP which are received on Mudaraba basis for investment in general pool of the Holding Company. The profit of the pool is shared as per the announced profit sharing ratio of the pool and the weightages assigned to these investments.

- 6.4.1** These are initially recognised at amount of funds disbursed / accepted (in case of Bai Muajjal, at sale price of the Sukuk net of deferred profit) and subsequently measured at amount receivable / payable under the contractual terms of the underlying agreement (in case of Bai Muajjal, at sale price of the Sukuk net of remaining deferred profit at reporting date, if any), except for Temporary Economic Refinance Facility (TERF) which are measured at amortized cost.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6.5 IFRS 9 - Financial Instruments

6.5.1 Classification and measurement

Classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Profit (SPPI) criteria are required to be measured at fair value through profit and loss (FVPL) regardless of the business model in which they are held.

Recognition and initial measurement

Debt securities issued are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price. The fair value of a financial asset on initial recognition is generally its transaction price. If the Group determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Islamic financing and related assets other than staff financing and Temporary Economic Refinance Facility (TERF) are initially measured at transaction price i.e., the amount of financing disbursed at disbursement date.

Classification of Financial Assets

On initial recognition, a financial asset is classified as either amortized cost, FVOCI, or FVPL where as Islamic financing and related assets except for staff financing, the Temporary Economic Refinance Facility (TERF), and modified financing, are carried at cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Islamic financing and related assets are carried at cost, net of expected credit loss allowances, except for Temporary Economic Refinance Facility (TERF), staff financing and modified financing, which are measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business models for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

IFRS 9 allows entities to irrevocably designate, at initial recognition, a financial asset as measured at FVPL if doing so eliminates or significantly reduces any 'accounting mismatch' that would otherwise arise from measuring assets or

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

liabilities or recognizing gains and losses on them on different basis. SBP instructions state that banks may apply the fair value option if, in addition to the IFRS 9 criterion, (a) it is consistent with a documented risk management strategy, and (b) fair values are reliable at inception and throughout life of the instrument.

Classification of Financial Liabilities

Financial liabilities are either classified as fair value through profit and loss account (FVPL), when they are held for trading purposes, or at amortized cost when not held for trading. Financial liabilities classified as FVPL are measured at fair value and all the fair value changes are recognized in profit and loss account. Financial liabilities classified at amortized cost are initially recorded at their fair value and subsequently measured using the effective profit rate method. Profit expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss account.

6.5.2 Business model assessment

A financial asset is classified as either Held to collect, Held to collect and sell based on Business model assessment. The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, business manager's compensation and historical sales information.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

6.5.3 Assessment of whether contractual cash flows are solely payments of principal and profit (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

The Group assesses whether the contractual cash flows of a financial asset meet the Solely Payments of Principal and Profit (SPPI) criterion by examining the contractual terms. This includes checking for terms that could alter the amount and timings of cash flows, such as contingent events, leverage, or prepayment features, etc.

A prepayment feature aligns with SPPI if it mainly represents unpaid principal and profit, including reasonable compensation for early termination.

For fixed-rate financings with periodic profit rate resets, the Group considers these SPPI-compliant as the revised rates reflect time value, credit risk, and other associated risks.

6.5.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit or dividend income, are recognised in statement of profit or loss account.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective profit rate. The amortised cost is reduced by impairment losses. Profit and impairment are recognised in statement of profit or loss account.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Debt investments at FVOCI	These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Profit income is calculated using the effective profit rate and includes amortization of premiums and accretion of discount and impairment are recognised in profit and loss account. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit or loss account.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to consolidated statement of profit or loss account.
Unquoted Securities	The fair value of unquoted equity instruments is determined by applying the income approach method. All fair value adjustments are recognized in Other Comprehensive Income (OCI) and accumulated within equity, in accordance with IFRS 9.
Islamic financing and related assets at cost	Islamic financing and related assets are carried at cost, net of expected credit loss allowances, except for Temporary Economic Refinance Facility (TERF) and staff financing, modified financing which are carried at amortized cost, net of expected credit loss allowances.

6.5.5 Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective profit rate of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1 January 2024).

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

The Holding company classifies its debt based financial assets at amortised cost only if both of the following criteria are met and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect Contractual Cash Flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit (SPPI test) on the principal amount outstanding.

Financial assets under amortised cost category are initially recognised at fair value plus transaction cost.

Staff and Temporary Economic Refinance Facility (TERF) financing are recognized at fair value at the time of disbursement. The fair value is determined by discounting the expected future cash flows using the prevailing market rates for instruments.

Financial liabilities are either classified as fair value through profit and loss account (FVTPL), when they are held for trading purposes, or at amortized cost when they are not held for trading. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognized in statement of profit and loss account.

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Financial liabilities classified at amortized cost are initially recorded at their fair value and subsequently measured using the effective profit rate method. Profit expense and foreign exchange gain and losses are recognised in statement of profit and loss account. Any gain or loss on derecognition is also recognised in statement of profit and loss account.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance. The profit / return accrued on financial assets are classified under other assets and the profit expense / payable on financial liabilities are classified under other liabilities wherever applicable in accordance with the format prescribed by SBP.

6.5.6 Calculation of profit income and expense

Income is recorded in accordance with IFAS 1 and IFAS 2. Furthermore, for other Islamic products income is recorded based on the contractual rate in accordance with the Shari'ah principles.

Profit expense on domestic financial liabilities (comprising deposits and borrowings) is recognized on an accrual basis in the period in which it is incurred, based on their contractual rates.

6.5.7 Derecognition

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - (a) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - (b) the Holding Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized), and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in the profit and loss account, except that in case of the derecognition of equity securities held at FVOCI, cumulative gains or losses are transferred to unappropriated profit.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Holding Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

6.5.8 Modification

Financial assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value plus any eligible transaction costs.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual financing are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

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If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective profit rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit and loss account.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective profit rate method.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability recognised and consideration paid is recognised in profit and loss account.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective profit rate and the resulting gain or loss is recognised in profit and loss account. For floating-rate financial liabilities, the original effective profit rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective profit rate on the instrument.

6.5.9 Impairment

The impairment requirements apply to financial assets measured at amortized cost and FVOCI (other than equity instruments), lease receivables, and certain financing commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective profit yield rate of the existing financial asset.

Financial assets where 12-month ECL is recognised are in 'Stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'Stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'Stage 3'.

Non-Performing financial assets

At each reporting date, the Holding Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI, and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'non-performing' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. This includes time based criteria and subjective evaluation of the credit worthiness of the borrower.

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A financing that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different

Under the IFRS 9 Application instructions, the Holding Company is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Holding Company is required to calculate ECL on its non-performing financial assets as higher of provision under Prudential Regulations (PR) and ECL under IFRS 9.

The Holding Company calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR and ECL under IFRS 9 at borrower/facility level, whereas against the retail borrowers the Holding Company calculates the ECL at higher of PR and ECL under IFRS 9 at segment/product basis as instructed under Annexure-A of BPRD Circular no 16 of 2024.

ECL is the probability weighted estimate of expected cash shortfalls which is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). Based on the requirements of IFRS 9 and Application Instructions, the Holding Company has performed an ECL assessment considering the following key elements:

Probability of default:

The Probability of Default represents the likelihood that a counterparty will default within a specific timeframe, such as 12 months (12-month ECL for Stage 1) or the lifetime of the financial instrument (lifetime ECL for Stage 2). The Holding Company calculates PD on Islamic financing and related assets which is further bifurcated into retail and non retail portfolios. Following is the methodology through which non retail and retail PD are calculated:

Non-Retail PD:

The Holding Company utilizes its internal risk rating system to assign Obligor Risk Ratings (ORR) to borrowers. Holding Company has used a statistical method, for the estimation of TTC PDs associated with each of its Obligor Risk Rating (ORR).

Retail PD:

Holding Company has used the roll-rate method for retail portfolios based on its different risk characteristics and historical default trends. Holding Company has used historical data to estimate TTC PD for its retail segments.

Moreover, the Holding Company calculates Expected Credit Loss (ECL) on investments and balances with other banks by utilizing Probability of Default (PD) data, which tracks corporate credit rating transitions over time. This historical data helps to assess the likelihood of changes in creditworthiness and defaults.

Incorporation of forward-looking information:

Forward looking information is incorporated to convert TTC PD to Point in Time Probability of Default (PiT) PD. The Holding Company has estimated the PiT PDs in its PD Model. For this purpose, the Holding Company incorporated 5-year forecasts obtained from the Macro Economic Variable (MEV) database of the International Monetary Fund (IMF).

Exposure at Default (EAD):

The Holding Company has defined EAD for financial assets carried at an amortized cost equal to principal plus accrued profit at the default date. Each repayment date is assumed to be a default point in the model, and the ECL is calculated on the EAD at each repayment date and discounted at the effective profit rate to arrive at the discounted ECL under three scenarios, i.e., base, worst, and best-case scenarios. The unutilized exposures are multiplied with Credit Conversion Factors (CCFs) to compute the EAD of revolving facilities. For non revolving facilities, CCF is only applied to unutilized exposures when the Holding Company doesn't have unconditional right to revoke the undrawn portion. Additionally, cash and cash equivalent collateral the Holding Company holds against non-retail facilities are adjusted from

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the EAD, and ECL is calculated on the net amount. The Holding Company has developed CCF models for its revolving and non revolving facilities based on the historical utilization of credit limits which are currently being applied to the revolving portfolio.

Loss Given Default (LGD):

Loss Given Default (LGD) represents the forecasted economic loss in the event of default, calculated independently of credit quality and applied consistently across all stages. LGD is determined as the percentage of loss expected in case of borrower default, incorporating historical data, cash recovery experience (including settlements), costs and time of recoveries, collateral realizations, and recovery projections. For non-collateralized portfolios, the Holding Company estimates LGD based on actual recoveries from defaulted accounts over a historical period of 3-5 years prior to the assessment date. Forward-looking information is incorporated into the LGD calculation to reflect the impact of macroeconomic factors on the expected recoveries.

Purchase or Originated Credit Impaired Financial Assets

Purchase or Originated Credit Impaired (POCI) financial assets are assets that are credit-impaired on initial recognition. Expected credit loss for these assets is not recognized in a separate loss provision on initial recognition, as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognized as a loss allowance after initial recognition is equal to the changes in lifetime ECL since the initial recognition of the asset.

Presentation of allowance for Expected Credit Loss in the Statement of Financial Position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost / cost: as a deduction from the gross carrying amount of the assets.
- Financing commitments and financial guarantee contracts: as a provision in Other Assets / Liabilities.
- where a financial instrument includes both a drawn and an undrawn component, and the Holding Company does not identify the ECL on the financing commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

6.5.10 Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Holding Company used several qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or profit payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations. A financial asset is transitioned to a backward stage in line with SBP instructions.

6.5.11 Write-offs

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in the statement of profit and loss account as income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group procedures for recovery of amounts due.

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6.5.12 Off-setting

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements only when the Group has a legally enforceable right to set off and the Group intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the consolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

6.5.13 Governance, ownership and responsibilities

The Holding Company has adopted a governance framework requiring multiple functions to effectively work together to ensure input from all business lines. The Risk Department defines the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach.

Additionally, the Risk department also take the ownership of the impact of ECL on Holding Company's capital. The Holding Company's Finance Division performs ECL calculation. As a result, the department then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios.

As per the Holding Company's policy, the Holding Company's Internal Audit function carries out periodic review of IFRS 9 methodology and impacts calculated by the Management.

6.5.14 Undrawn financing commitments and guarantees

Financial guarantees' are contracts that require the Holding Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'financng commitments' are firm commitments to provide credit under pre-specified terms and conditions.

When estimating lifetime ECL for undrawn financing commitments, the Holding Company estimates the expected portion of the financing commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financing are drawn down, based on a probability-weighting of the three scenarios.

6.5.15 Acceptances

Acceptances arise when the Holding Company is under an obligation to make payments against documents drawn under letters of credit. Acceptances specify the amount of money, the date, and the person to which the payment is due. After acceptance, the instrument becomes an unconditional liability (time draft) of the Holding Company and is therefore recognized as a financial liability in the statement of financial position with a corresponding contractual right of reimbursement from the customer recognized as a financial asset.

Acceptances have been considered within the scope of IFRS 9 - Financial Instruments for the purpose of calculation of expected credit loss and are valued at amortized cost and continued to be recognized as a financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset.

6.5.16 Wa'ad / Promissory Contracts

Wa'ad / promissory contracts are initially recognized at fair value on the date on which the contract is entered into and are subsequently re-measured to fair value using appropriate valuation techniques. All Wa'ad / promissory contracts are carried as assets when fair value is positive and liability when fair value is negative. Any change in the fair value of Wa'ad / promissory contracts is taken to the profit and loss account.

6.5.17 Impact on regulatory capital

In order to mitigate the impact of ECL models on capital, SBP has determined that it may be appropriate for the banks to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. The transitional arrangement applies only to provisions for stage 1 and stage 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon

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adoption of an ECL accounting model, the decline in CET1 capital (the “transitional adjustment amount”) must be partially included (i.e., added back) to CET1 capital over the “transition period” of five years.

The Group has applied the transitional arrangement on Regulatory Capital. Had the transitional arrangement not been applied then CAR would have been higher by 11 bps from 14.27% to 14.38%.

The Group has applied the transitional arrangement on Regulatory Capital. Had the transitional arrangement not been applied then Leverage Ratio would have been lower by 4 bps from 4.53% to 4.49%.

6.6 Investment in associates

Certain mutual funds are managed by Faysal Asset Management Limited (FAML), As stipulated under Regulation 38 of Non-Banking Finance Regulation, 2008, the Asset Management Company (AMC) is entrusted with fiduciary duties towards the unit holders of the funds. This fiduciary obligation requires AMC to act in the best interests of its unit holders, refraining from exploiting opportunities for its own benefit or that of its related parties, group companies, or employees, to the detriment of the unit holders.

In some cases, the holding of these investments is exceeding 50%. However due to the exemption provided through SRO 56(i) of 2016, for the purpose of determining subsidiary relation, the definition provided under Companies Act, 2017 is not considered rather the definition under IFRS 10 is used. As per IFRS 10, these are not considered subsidiary due to the legal trust structure of the entity the Group does not have the ability to affect returns through its power over the investee. Further, under this trust structure, the trusteeship is separate from the management, and the independent trustees play a key role in overseeing the activities of the AMC.

The Group has significant influence over mutual funds due to power to participate in the investee's policy-making processes via the FAML and investment in such mutual funds is considered as investment in associates.

Subsequent measurement of Associates

Investment in associates are accounted for using the equity method of accounting.

Impairment of Investment in associate

In respect of investment in associates, the Holding Company reviews their carrying values at each reporting date to assess whether there is an indication of impairment. The amount of impairment loss would be determined based on the higher of values in use and fair value less cost to sell. Impairment loss is recognised in the profit and loss account.

6.7 Islamic financing and related assets

- 6.7.1** Financing is stated net of credit loss allowance and fair value adjustment. The amount of credit loss allowance is charged to the profit and loss account. Financing is written off in accordance with Holding Company policy by extinguishing them against the provision held. These write-offs / charge off do not, in any way, prejudice the Holding Company's right of recovery from these customers. The Holding Company offers various Islamic financing products the details of which are as follows:

(a) Murabaha

In Murabaha transactions, the Holding Company purchases the goods and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

(b) Diminishing Musharaka

It is a form of partnership in which the Group and the customers create co-ownership in the assets by purchasing it jointly. The Group then rents out its share of the assets to the customer. Beside the payment of the rentals, the customers also purchase the assets from the Group in installments. Hence at the end of the tenure, customer becomes sole owner of the assets.

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(c) Running Musharaka

In Running Musharakah financing, the Holding Company will enter into financing with the customer based on Shirkat-ul-Aqd (Business Partnership) in the customer's operating business. Under this mechanism the customer can withdraw and return funds to the Holding Company subject to its Running Musharakah Financing limit during the Musharakah period. At the end of each quarter / period the customer pays the provisional profit as per the desired profit rate which is subject to final settlement based on the relevant quarterly / half yearly / annual audited accounts of the customer.

(d) Ijarah

Ijarah is a contract whereby the owner of an asset (other than consumables) transfers its usufruct to another person for an agreed period and for an agreed consideration.

Ijarah assets are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged from the date of recognition of Ijarah assets on a straight line basis over the period of Ijarah. Impairment of Ijarah assets is determined on the same basis as that of property and equipment.

Ijarah rental income is recognised on an accrual basis as and when the rental becomes due. Impairment of Ijarah rental is determined in accordance with the requirements of the Prudential Regulations and other directives issued by the SBP from time to time and charged to the profit and loss account.

In Service Ijarah financing, the Holding Company provides financing by acquiring certain agreed services from the customer. After the purchase of services, the Holding Company appoints the customer to sell these services in the market over a period and provide a sale confirmation of such sale. The profit is only accrued from the date of receipt of such confirmation.

(e) Istisna

Istisna is a mode of sale at an agreed price, whereby the buyer places an order to or cause to manufacture, assemble or construct anything to be delivered at a future date.

The funds disbursed under Istisna are recorded as 'Advance against Istisna'. On execution of goods receiving note and receipt of manufactured goods, the same are recorded in the statement of financial position as inventories of the Holding Company at cost price and after sale of goods by customer to its ultimate buyers, Istisna financing is recognised.

(f) Musawamah

In Musawamah financing, the Holding Company purchases the goods and after taking the possession, sells them to customer either in spot or credit transaction, without disclosing the cost.

(g) Salam / Bai Salam

Salam / Bai Salam is a sale transaction where the seller undertakes to supply some specific goods to the buyer at a future date against an advance price fully paid on spot.

The funds disbursed under Salam / Bai Salam are recorded as advances against Salam / Bai Salam. On execution of goods receiving note and receipt of Salam / Bai Salam goods, the same are recorded in the statement of financial position as inventories of the Holding Company at cost price and after the sale of goods by customer to its ultimate buyers, Salam / Bai Salam financing is recognised.

(h) Tijarah

Tijarah is a financing mode under which Holding Company purchases finished goods from the customer / seller against spot payment and delivery. Thereafter, the Holding Company appoints customer as an agent to sell the Tijarah goods in the market.

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The funds disbursed under Tijarah are recorded as advances against Tijarah. On execution of goods receiving note and receipt of Tijarah goods, the same are recorded in the consolidated statement of financial position as inventories of the Holding Company at cost price and after the sale of goods by customer to its ultimate buyers, Tijarah financing is recognised.

(i) Tawarruq

Tawarruq means “to sell a commodity at spot after its purchase on deferred basis to the party other than from whom it was purchased.”

In practice “Tawarruq is an arrangement in which Holding Company sells a commodity at a higher price from its market value to the Customer on deferred payment at cost plus profit. The customer, then sells the commodity to a third party on cash with a purpose of having access to liquidity.

(j) Government grants

Government grants are recognized when there is reasonable assurance of receipt and compliance with attached conditions. Asset-related grants are either recorded as deferred income or deducted from the asset's carrying amount, while income grants are systematically recognized in profit or loss. In line with IAS 20, government financing at below-market rates are treated as grants, with the benefit measured as the difference between the financing fair value and the proceeds received. The State Bank of Pakistan (SBP) has introduced temporary refinancing schemes to provide economic relief, which qualify as government grants. These are accounted for by bifurcating the liability into a financial liability under IFRS 9, measured at fair value, and a deferred grant liability representing the benefit received. The deferred grant liability is recognized in consolidated statement of financial position, at inception is initially offset against the fair value loss on below market rate financing provided to customers. The remaining portion is subsequently amortized over the tenure of financing, aligning with the unwinding difference between SBP refinance and customer financing.

(k) Bai Muajjal

In Bai Muajjal financing, the Bank sells Shariah compliant sukuk on credit to customers. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

6.8 Property and equipment and depreciation

(a) Tangible assets

Property and equipment other than land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Buildings are carried at revalued amount less any accumulated depreciation and subsequent impairment losses, if any. Land is carried at revalued amount less any subsequent impairment losses, if any.

Depreciation on property and equipment (excluding land which is not depreciated) is charged using the straight line method in accordance with the rates specified in note 11.2 to these consolidated financial statements after taking into account residual value, if significant. The asset's residual values and useful lives are reviewed and adjusted, if required, at each reporting date. Depreciation on additions is charged once the assets become available for use and it stops when the asset is disposed or it is fully depreciated.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditures are charged to the consolidated profit and loss account as and when incurred.

Land and buildings are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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Gains / losses on disposal of property and equipment, if any, are taken to the profit and loss account in the period in which these arise except that the related surplus on revaluation of property and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

Surplus on revaluation of property and equipment (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

(b) Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when assets become available for use.

6.9 Intangible assets

Intangible assets having definite lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The intangible assets include directly attributable costs that are capitalised as part of the intangible asset. Amortisation, except for customer relationship, is charged by applying the straight-line method over the useful lives of the assets. Amortisation is calculated so as to write-off the assets over their expected economic lives at rates specified in note 13 to these consolidated financial statements. Amortisation is charged from when the asset is available for use and stops when the asset is disposed or its fully amortized. The intangible asset comprising customer relationship is being amortised over the life expectancy of the deposits. The residual values and useful lives of intangible assets are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Intangible assets having an indefinite useful life are stated at acquisition cost less accumulated impairment losses, if any.

Gains and losses on disposals, if any, are taken to the profit and loss account in the period in which these arise.

6.10 Impairment

The carrying amounts of assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If any such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount, except in the case of an intangible asset with an indefinite useful life or an intangible asset not yet available for use and goodwill acquired in a business combination for which impairment is tested annually irrespective of whether there is any indication of impairment. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of asset.

An impairment loss is reversed except for impairment loss relating to goodwill, if there has been a change in the estimate used to determine the recoverable amount. Such reversals are only made to the extent that the asset's carrying amount does not exceed the amount that would have been determined if no impairment loss had been recognised.

6.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current

Provision for current taxation is based on taxable income for the year. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the reporting date.

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Prior

The charge / reversals for prior years represent adjustments to the tax charge / reversals for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to the law, made during the current year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Group also records deferred tax asset on available tax losses. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

6.12 Assets acquired in satisfaction of claims

Non-Banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation and accumulated impairment, if any. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying values do not differ materially from their fair values. Legal fee, transfer costs and direct costs of acquiring title to the non-banking assets are charged to the consolidated profit and loss account and these are not capitalised as part of non-banking assets. A surplus arising on revaluation of non-banking assets acquired in satisfaction of claims is credited to the 'surplus on revaluation of assets' account. Any deficit arising on revaluation is first set off against the surplus account for that particular non-banking asset, if any, or if no surplus exists, is charged to the consolidated profit and loss account. These assets are disclosed in other assets as specified by the SBP.

Surplus on revaluation of non-banking assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

6.13 Provisions and contingent assets and liabilities

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

6.14 Staff retirement benefits

a) Defined contribution plan

The Holding Company and the FAML both operate a contributory provident fund for all its permanent employees to which equal monthly contributions at the rate of 10 percent of basic salary are made both by the Holding Company, FAML and the employees.

b) Defined benefit plan

The Holding Company operates an approved funded gratuity plan for all its permanent eligible employees and eligible employees who are on contractual service and are employed under non-management cadre. The FAML also operates a funded gratuity plan for all permanent eligible employees who have completed the specified minimum qualifying period of service. Contributions are made by each company to the respective funds on the basis of actuarial recommendations.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Projected Unit Credit Method is used for the actuarial valuation.

Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the differences between the actual investment returns and the return implied by the net profit cost are recognised in the consolidated statement of financial position immediately, with a charge or credit to consolidated other comprehensive income in the periods in which these occur.

Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

6.15 Deposits and other accounts

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current accounts' (non-remunerative) and deposits generated on Mudaraba basis are classified as 'Savings deposits' and 'Term deposits'. No profit or loss is passed on to current account depositors, however the funds of current accounts are treated as equity of the Holding Company for the purpose of profit calculation. Usually no restriction on withdrawals or number of transactions in current and savings accounts. In case of term deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realised in investment pools are distributed in pre-agreed profit-sharing ratio between Rab-ul-Maal and Mudarib. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period.

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investments.

Pools are created at the Holding Company discretion and the Holding Company can add, remove or transfer an asset to any other pool in the interests of the deposit holders.

6.16 Pool management

The Group has maintained the following pools:

- i. 'General Pool' for local and foreign currency deposits;
- ii. 'Islamic Export Refinance Pool';
- iii. 'Interbank Company Treasury Musharaka Pool' ;
- iv. 'Islamic Investment Pool' (Mudarabah based) - LCY & FCY;
- v. 'Islamic Saving Pool' (Mudarabah based);
- vi. 'Islamic Equity Pool';
- vii. 'Haj Pool';
- viii. 'Treasury Mudarabah Pool';
- ix. 'Pakistan Mortgage Refinance Company Musharakah Pool';
- x. 'Open Market Operation'; and
- xi. 'Mudarabah based Financing Facility'

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Key features and risk & reward characteristics of all pools

- The 'General Pool' for both local and foreign currency is catered for all FBL Islamic depositors and provide profit / loss based on Mudarabah and Musharaka.
- The Islamic Export Refinance Pool caters the 'Islamic Export Refinance' requirements based on the guidelines issued by the SBP.
- The 'Interbank Treasury Musharaka Pool' is to provide Shari'ah compliant mechanism for Interbank Money Market transactions and manage the liquidity position of FBL Islamic statement of financial position by creating individual pools against each FBL Islamic money market deals.
- The 'Islamic Investment Pool' (Mudarabah based) - LCY & FCY pools are created to cater the needs of high net worth clients.
- The Islamic saving pools are created to cater the needs of high net worth clients / institutions.
- The Islamic equity pool is created to mainly cater the funding requirement of project / long term financing assets during non accrual period.
- The Haj pool is created to give returns to Ministry of religious affairs deposits.
- The Treasury Mudarabah Pool is created to cater the liquidity requirement of the Holding Company.
- Pakistan Mortgage Refinance Company Musharakah Pool is created to promote expansion of affordable housing finance.
- Shari'ah Compliant Mudarabah Based Open Market Operations (OMO) Pool was created to enhance monetary policy transmission and improve management of market liquidity.
- Shari'ah Compliant Standing Ceiling Facility- Mudarabah based Financing Facility (MFF) Pool was created with a view to provide liquidity management framework for the Holding Company and enhance the effectiveness of monetary policy implementation. As per the guidelines provided by State Bank of Pakistan, MFF shall be available as a standing facility on overnight basis.
- The risk characteristics of each pool mainly depends on the asset and liability profile of each pool.

6.16.1 Profit / (loss) distribution to depositor's pool

Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components:

Gross income generated from relevant assets, calculated at the end of the month is first divided between FBL Islamic and investors / depositors in the ratio of FBL Islamic equity commingled in a pool on pro rata basis, and then amongst FBL Islamic and the depositors as per agreed mudarib fee and weightages declared before start of a month, respectively. All Mudarabah and Musharaka based deposits are fully invested in respective Pools to produce returns for them. In case where FBL Islamic is unable to utilise all funds available for investment, priority is given to the deposit account holders.

All remunerative accounts such as remunerative current accounts, saving accounts, investment certificates, etc. are opened on the basis of Mudarabah, Musharaka, Wakalah or a combination of Mudarabah and Musharaka. The return on these deposits is calculated on the basis of Profit and Loss sharing (PLS). Unless specified, all remunerative local currency and foreign currency deposits are taken as General Mudarabah and Musharaka pool.

Profit share is determined by using weightages and profit sharing ratio assigned to each category of deposit within a pool. These weightages and profit sharing ratios are declared by FBL Islamic in compliance with the requirements of the Shari'ah and the SBP.

The allocation (of income and expenses to different pools) is based on pre-defined basis and accounting principles /

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

standards. The direct expenses are charged to respective pool. The indirect expenses including the establishment cost are borne by FBL Islamic as Mudarib. The direct expenses charged to the pool include depreciation of Ijarah assets, cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee, documentation charges, brokerage fee for the purchase of securities / commodities, impairment / losses due to physical damages to specific assets in pools etc. Provisions against any non-performing assets of the pool are not passed on to the pool except on the actual loss / write-off of such non-performing asset and suspension of income against non-performing assets. The profit of the pool is shared between the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period.

Effective January 1, 2025, the Minimum Deposit Rate (MDR), mandated by the State Bank of Pakistan (SBP) through IFPD Circular No. 09 of 2024, dated November 26, 2024, ensures a minimum return for eligible saving depositors. This regulation is not applicable to saving deposits sourced from financial institutions, public sector enterprises, and public limited companies.

For eligible PKR saving deposits, FBL ensures a profit payment equivalent to at least 75 percent of the weighted average gross yield of all operational pools, excluding the Open Market Operations (OMOs) and Market Financing Facility (MFF) pools.

Particulars	2025		2024	
	Rupees '000	Percent	Rupees '000	Percent
- Mudarib share amount and percentage of distributable income	49,553,993	43.75	66,194,466	44.18
- Amount and percentage of Mudarib share transferred to depositors through Hiba	35,341,590	71.32	23,759,949	35.89
- Profit rate earned (annualised)	-	13.81	-	18.97
- Profit rate distributed (annualised)	-	7.61	-	11.58
			-	

6.17 Subordinated Sukuk

Subordinated sukuk are initially recorded at the amount of proceeds received. Profit on subordinated sukuk is charged to the consolidated profit and loss account over the period on an accrual basis and is recognised separately as part of other liabilities.

6.18 Revenue recognition and other items

- Profit on Murabaha (including Commodity Murabaha) and Musawammah is recognised on an accrual basis.
- Rentals on Ijarah contracts are recognised as income on an accrual basis.
- Profit on Service Ijarah is recognised on an accrual basis commencing from the date of confirmation of sale to its ultimate buyer.
- Profit on Diminishing Musharakah financing is recognised on an accrual basis.
- Profit on Running Musharakah financing is recognised on an accrual basis and is adjusted upon final declaration of profit by Musharakah partners.
- Profit on Istisna / Salam / Bai Salam / Tijarah transactions are recognised on an accrual basis commencing from time of sale of goods till the realisation of sale of proceeds by the Holding Company.
- Profit on Sukuk is recognised on an accrual basis. Where Sukuk (excluding held for trading securities) are purchased at a premium or discount, those premiums / discounts are amortised through the consolidated profit and loss account over the remaining maturity.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

- Premium or discount on acquisition of debt investments is capitalised and amortised through the consolidated profit and loss account over the remaining period till maturity.
- Dividend income from investments is recognised when the Holding Company's right to receive the dividend is established.
- The Group earns fee and commission income from services to retail and corporate customer. Fee and commission income is recognised at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for providing the services.
- The Holding Company recognises fees earned on transaction-based arrangements at a point in time when the Holding Company has provided the service to the customer. Unearned fee and commission are included under other liabilities.
- Rent and other income is recognised on an accrual basis.
- Profits on Bai Muajjal lendings are recognised on straight line accrual basis.
- Profit suspended in compliance with the Prudential Regulations issued by the SBP is recognised on receipt basis. Profit on rescheduled / restructured financing and investments is recognised as permitted by the SBP.
- Gain or loss on disposal of property and equipment is taken to the consolidated profit and loss account in the period in which they arise.
- Subsidized financing (TERF), staff financing and modified financing classified at amortized cost, is recognized using the effective profit rate (EIR) method. If the financing is at below-market rates, it is initially recognized at fair value. Subsequently, profit income is recorded using EIR.

6.19 Proposed dividend and transfer between reserves

Dividends and appropriations to reserves, except appropriations which are required by the law, made subsequent to the reporting date are considered as non-adjusting events and are recorded in the consolidated financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the reporting period' in the year in which they are approved / transfers are made.

6.20 Foreign currencies

(a) Foreign currency transactions

Foreign currency transactions are recorded in rupees at exchange rates prevailing on the date of transaction. Monetary assets, monetary liabilities and contingencies and commitments in foreign currencies except forward commitments (promises) are reported in Rupees at exchange rates prevalent on the reporting date.

Forward commitments other than those with the SBP related to the foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange commitments. Forward commitments with the SBP relating to foreign currency deposit, are valued at spot rate prevailing at the reporting date. Exchange gains and losses are included in the current year profit and loss account.

Commitments for outstanding forward foreign exchange transactions are disclosed at the rates applicable at the reporting date. Contingent liabilities / commitments for letters of credit, and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates prevailing on the reporting date.

(b) Translation gains and losses

Translation gains and losses are included in the consolidated profit and loss account.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6.21 Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the consolidated financial statements at committed amounts. Commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

6.22 Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for in these consolidated statement of financial position both as assets and liabilities.

6.23 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

6.24 Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating decision maker. The Chief Executive Officer (CEO) has been identified as the Holding Company's Chief Operating decision maker.

(a) Business Segments

(i) Retail banking

Retail banking provides services to small customers i.e. commercials, consumers, small enterprises, medium enterprises and agriculture sector. It includes financing, deposits, other transactions and balances with retail customers.

(ii) Corporate and investment banking

This includes strategic partnership with corporate entities to provide working capital financing, trade financing, cash management services, project finance, export finance, leasing, guarantees, bills of exchange, deposits and other short term and long term finance. Further, this includes investment banking activities such as mergers and acquisitions, underwriting, privatisation, securitisation, Initial Public Offerings (IPOs), secondary private placements, etc.

(iii) Treasury and equity capital market (ECM)

It includes fixed income, equity, foreign exchanges, funding, own position securities and placements.

(iv) Special asset management (SAM)

This includes recoveries from borrowers' accounts which became delinquent or have defaulted in their obligations.

(v) Others

It includes functions which cannot be classified in any of the above segments.

(b) Geographical segment

The operations of the Group are currently based only in Pakistan.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6.25 Provision of claims under guarantees

A provision for claim under guarantees is recognised when intimated and reasonable certainty exists that the Group will settle the obligation. The charge to the consolidated profit and loss account is stated net of expected recoveries as the obligation is recognised in other liabilities.

6.26 Lease liability and right-of-use assets

At the inception of the contract, the Group assesses whether a contract is, or contains, a lease. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate. The Group cannot readily determine the profit rate implicit in the lease, therefore, it uses its incremental fund acceptance rate to measure lease liabilities.

6.27 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.28 Reserves

Reserves being held by the Group in these consolidated financial statements include the following;

- Non-distributable capital reserve - gain on bargain purchase option (note 3.2).
- Statutory reserve represents amount set aside as per the requirements of section 21 of the banking Ordinance, 1962.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		28,374,473	28,965,475
- foreign currencies		3,161,358	3,287,756
		31,535,831	32,253,231
With State Bank of Pakistan in			
- local currency current accounts	7.1	56,191,281	62,834,372
- foreign currency current accounts	7.2	5,423,184	5,225,598
- foreign currency deposit accounts	7.3	1,826,938	983,689
		63,441,403	69,043,659
With National Bank of Pakistan in			
- local currency current accounts		9,023,320	1,304,011
Prize bonds	7.4	-	1,443
Less: Credit loss allowance held against cash and balances with treasury banks (Stage 1)		(1,652)	(1,687)
Cash and Balances with treasury banks - net of credit loss		103,998,902	102,600,657

7.1 These represent local currency current accounts maintained with the SBP as per the requirements of Section 36 of the State Bank of Pakistan Act, 1956. This section requires banking companies to maintain a local currency cash reserve in a current account with the SBP at a sum not less than such percentage of the Holding Company's time and demand liabilities in Pakistan as may be prescribed by the SBP.

7.2 This represents cash reserve of 5% maintained with the SBP in US dollars current account on deposits held under the New Foreign Currency Accounts (FE-25 deposits) as per BSD Circular No. 14 and 15 dated June 21, 2008.

7.3 These mainly represent local US dollars clearing account maintained with the SBP to facilitate US dollars clearing and 6% special cash reserve requirement on FE-25 deposits maintained by Islamic Banking Branches under the requirements of BSD Circular No.15 dated June 21, 2008. Profit rate on these balances is Nil (2024 :Nil) per annum which is notified on monthly basis by SBP.

7.4 These represent the national prize bonds received from customer for onward surrendering to SBP. The Holding Company as a matter of Shari'ah principle, does not deal in prize bonds.

	2025	2024
-----Rupees '000-----		
8 BALANCES WITH OTHER BANKS		
In Pakistan		
- in current accounts	170,207	13,918
- in deposit account	78	86
	170,285	14,004
Outside Pakistan		
- in current account	6,562,504	5,525,561
Less: Credit loss allowance held against balances with other banks (Stage 1)	(42)	(3)
Balances with other banks - net of credit loss allowance	6,732,747	5,539,562

For the year ended December 31, 2025

9.5.1

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

9.2 Investments by segments

Note

Federal Government securities

Ijarah Sukuk

Islamic Naya Pakistan Certificate

Shares

Listed companies

Unlisted companies

Non Government debt securities

Listed

Unlisted

Associates

Faysal Halal Andani Fund

Faysal Islamic Savings Growth Fund

Faysal Islamic Sovereign Fund - FISP-I

Faysal Islamic Cash Fund

Faysal Islamic Special Income Fund - FISIP-I

Faysal Islamic Asset Allocation Fund - III - (Faysal Shariah Flex Plan-II)

Faysal Khushal Mustaqbil Fund- Faysal Barak'ah Women Savers Plan

Faysal Khushal Mustaqbil Fund- Faysal Nu'uman Women Savers Plan

Faysal Islamic Pension Fund - Money Market

Faysal Islamic Pension Fund - Debt

Faysal Islamic Kpk Government Pension Fund - Money Market Sub Fund

Faysal Islamic Stock Fund II

Faysal Islamic Stock Fund

Faysal Islamic Mardood Muddat Plan-I

Faysal Islamic Kpk Government Pension Fund - Debt Sub Fund

Faysal Islamic Kpk Government Pension Fund - Equity Index Sub Fund

Faysal Islamic Kpk Government Pension Fund - Equity Sub Fund

Faysal Islamic Punjab Pension Fund-Money Market Sub Fund

Faysal Islamic Punjab Pension Fund-Debt Sub Fund

Faysal Islamic Punjab Pension Fund-Equity Active Sub Fund

Faysal Islamic Punjab Pension Fund-Equity Index Sub Fund

Faysal Financial Sector Opportunity Fund

Faysal Islamic Pension Fund - Equity

Faysal Islamic Financial Growth Fund - FIFGP-I

Faysal Islamic Sovereign Plan - II

Faysal Pension Fund - Debt

Faysal Pension Fund - Equity

Faysal Special Savings Fund - FSSP-I

Faysal Pension Fund - Money Market

Faysal Khushal Mustaqbil Fund- Faysal Ujala Women Savers Plan

Total Investments

2025					2024			
Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value		Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees '000								
604,859,532	-	6,619,069	611,478,601		587,451,265	-	20,573,146	608,024,411
874,982	-	-	874,982		2,624,853	-	-	2,624,853
605,734,514	-	6,619,069	612,353,583		590,076,118	-	20,573,146	610,649,264
8,427,386	-	917,110	9,344,496		7,645,244	-	2,446,681	10,091,925
724,666	-	3,386,719	4,111,385		743,916	-	(676,230)	67,686
9,152,052	-	4,303,829	13,455,881		8,389,160	-	1,770,451	10,159,611
-	-	-	-		45,000,000	(937)	1,647,000	46,646,063
7,999,292	(1,303,629)	(11,803)	6,683,860		10,785,283	(2,725,328)	(15,657)	8,044,298
7,999,292	(1,303,629)	(11,803)	6,683,860		55,785,283	(2,726,265)	1,631,343	54,690,361
1,341,490	-	-	1,341,490		680,762	-	-	680,762
682,976	-	-	682,976		511,918	-	-	511,918
672,096	-	-	672,096		1,116	-	-	1,116
318,465	-	-	318,465		3,448	-	-	3,448
191,465	-	-	191,465		82,671	-	-	82,671
100,857	-	-	100,857		-	-	-	-
69,547	-	-	69,547		-	-	-	-
55,667	-	-	55,667		-	-	-	-
54,091	-	-	54,091		49,203	-	-	49,203
52,798	-	-	52,798		48,318	-	-	48,318
38,810	-	-	38,810		590	-	-	590
4,238	-	-	4,238		272,401	-	-	272,401
4,227	-	-	4,227		4,949	-	-	4,949
3,752	-	-	3,752		-	-	-	-
640	-	-	640		594	-	-	594
626	-	-	626		1,387	-	-	1,387
619	-	-	619		592	-	-	592
502	-	-	502		-	-	-	-
501	-	-	501		-	-	-	-
499	-	-	499		-	-	-	-
499	-	-	499		-	-	-	-
-	-	-	-		61	-	-	61
-	-	-	-		66,496	-	-	66,496
-	-	-	-		821,716	-	-	821,716
-	-	-	-		46,872	-	-	46,872
-	-	-	-		75,766	-	-	75,766
-	-	-	-		35,472	-	-	35,472
-	-	-	-		205	-	-	205
-	-	-	-		47,786	-	-	47,786
-	-	-	-		3,405	-	-	3,405
3,594,365	-	-	3,594,365		2,755,728	-	-	2,755,728
626,480,223	(1,303,629)	10,911,095	636,087,689		657,006,289	(2,726,265)	23,974,940	678,254,964

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

9.2.1 GoP Ijara Sukuks have tenure ranging from 1 to 10 years. The Group's return on these instruments ranges from 7.83% to 22.92% per annum (2024: 6.36% to 23.08% per annum) with maturities from April 2025 to October 2034.

9.2.2 The Holding company has invested in PKR and foreign currency denominated Mudarabah based pools maintained by the Islamic Naya Pakistan Certificate Company Limited (INPCCL), a special purpose vehicle formed by the Government of Pakistan. As at December 31, 2025, the Holding company's investment in PKR, USD, EURO and GBP denominated pools amounted to Rs. 309.124 million (2024: Rs. 771.724 million), USD 1.015 million with PKR equivalent of Rs 284.336 million (2024: Rs. 1,314.365 million), EURO 0.352 million with PKR equivalent of Rs.115.896 million (2024: Rs 112.567 million) and GBP 1.219 million with PKR equivalent of Rs. 426.197 million (2024: Rs. 426.197 million) respectively. The actual profit rates on these pools are calculated in line with the Islamic principle of Mudarabah and communicated to the Holding company at the end of each month. The profit earned by the Holding company on these investment pools during the year 9.5% to 17% for PKR denominated pool, 4.5% to 5.75% for USD denominated pool, 5.25% for GBP denominated pool and 3% to 4% for EURO denominated pool. These investments are perpetual in nature and have no fixed maturity.

9.2.3 These include Sukuks having tenures ranging from 4 to 11 years. The Group's return on these instruments ranges from 11.19% to 14.73% per annum (2024: 13.32% to 18.71% per annum) with maturities up to December 2032.

9.3 Investments given as collateral - at market value

Federal Government Securities

- Ijarah Sukuk

2025 **2024**
-----Rupees '000-----

63,725,560	128,477,500
2,726,265	3,834,242
-	(920,972)
2,726,265	2,913,270
-	99
(6,583)	(182,783)
(1,058,478)	(4,321)
(1,065,061)	(187,005)
(357,575)	
1,303,629	2,726,265

9.4 Particulars of Credit loss allowance against investments

9.4.1 Opening balance

Impact of adopting IFRS 9 as at January 1

Restated balance as at January 1

Charge / (reversals)

Charge for the year

Reversals for the year

Reversals on disposals

Closing balance

2025			2024		
Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
----- Rupees '000 -----					
640,098,052	-	3,138,499	-	-	-
-	-	-	574,797,434	1,562,000	1,928,685
640,098,052	-	3,138,499	574,797,434	1,562,000	1,928,685
516,952,157	-	-	164,070,110	-	-
(546,012,434)	-	(1,416,053)	(98,769,492)	(347,865)	(4,321)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(1,214,135)	1,214,135
(29,060,277)	-	(1,416,053)	65,300,618	(1,562,000)	1,209,814
-	-	-	-	-	-
611,037,775	-	1,722,446	640,098,052	-	3,138,499

9.4.2 Investments - exposure

Opening balance

Impact of adopting IFRS 9 as at January 1

Restated balance as at January 1

New investments / Increase

Investments derecognised or repaid

Transfer to stage 1

Transfer to stage 2

Transfer to stage 3

Amounts written off / charged Off

Closing balance

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

9.4.3 Investments - credit loss allowance

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
----- Rupees '000-----						
Opening balance						
Impact of adopting IFRS 9 as at January 1	996	-	2,725,269	-	-	-
Restated balance as at January 1	-	-	-	1,873	982,712	1,928,685
	996	-	2,725,269	1,873	982,712	1,928,685
New investments	-	-	-	-	-	74,665
Investments derecognised or repaid	(940)	-	(1,416,053)	-	(181,807)	-
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	(800,905)	800,905
	(940)	-	(1,416,053)	-	(982,712)	875,570
Changes in risk parameters (PDs/LGDs)	(25)	-	(5,618)	(877)	-	(78,986)
Closing balance	31	-	1,303,598	996	-	2,725,269

9.4.4 Particulars of credit loss allowance against debt securities

		2025		2024	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
----- Rupees '000-----					
Domestic					
Performing	Stage 1	611,037,775	31	640,098,049	996
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	1,214,135	800,905
Loss		1,722,446	1,303,598	1,924,364	1,924,364
Total		612,760,221	1,303,629	643,236,548	2,726,265

9.4.5 As allowed by the SBP, the Bank has availed benefit of forced sale value (FSV) of collaterals held as security of Rs 418.848 million (December 31, 2024: Nil) related to investment while determining the provisioning requirement against non-performing investment as at December 31, 2025. The additional profit arising from availing the FSV benefit (net of tax) as at December 31, 2025 which is not available for distribution as either cash or stock dividend to shareholders approximately amounted to Rs 196.859 million (December 31, 2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

9.5 Investment in associates

9.5.1 Movement of investment in associates

Associates

Faysal Halal Amdani Fund
Faysal Islamic Savings Growth Fund
Faysal Islamic Sovereign Fund - FISP-I
Faysal Islamic Cash Fund
Faysal Islamic Special Income Fund - FISIP-I
Faysal Islamic Asset Allocation Fund - III -(Faysal Shariah Flex Plan-II)
Faysal Khushal Mustaqbil Fund- Faysal Barak'ah Women Savers Plan
Faysal Khushal Mustaqbil Fund- Faysal Nu'umah Women Savers Plan
Faysal Islamic Pension Fund - Money Market
Faysal Islamic Pension Fund - Debt
Faysal Islamic Kpk Government Pension Fund - Money Market Sub Fund
Faysal Islamic Stock Fund II
Faysal Islamic Stock Fund
Faysal Islamic Mehdood Muddat Plan-I
Faysal Islamic Kpk Government Pension Fund - Debt Sub Fund
Faysal Islamic Kpk Government Pension Fund – Equity Index Sub Fund
Faysal Islamic Kpk Government Pension Fund - Equity Sub Fund
Faysal Islamic Punjab Pension Fund-Money Market Sub Fund
Faysal Islamic Punjab Pension Fund-Debt Sub Fund
Faysal Islamic Punjab Pension Fund-Equity Active Sub Fund
Faysal Islamic Punjab Pension Fund-Equity Index Sub Fund
Faysal Financial Sector Opportunity Fund
Faysal Islamic Pension Fund - Equity
Faysal Islamic Financial Growth Fund - FIFGP-I
Faysal Islamic Sovereign Plan - II
Faysal Pension Fund - Debt
Faysal Pension Fund - Equity
Faysal Special Savings Fund - FSSP-I
Faysal Special Savings Fund - FSSP-II
Faysal Pension Fund - Money Market
Faysal Islamic Financial Growth Fund - FIGFP-I
Faysal Islamic Financial Growth Fund-(FIFGP-II)
Faysal Khushal Mustaqbil Fund- Faysal Ujala Women Savers Plan

As at December 31, 2025						
Country of Incorporation	% Holding	Investment at the beginning of the year	Investment / (redemption) during the year	Share of profit	Dividend received	Investment at the end of the year
Rupees '000-						
Pakistan	2.49	680,762	616,353	44,375	-	1,341,490
Pakistan	11.69	511,918	150,001	52,323	(31,266)	682,976
Pakistan	49.83	821,716	(156,219)	6,599	-	672,096
Pakistan	0.55	272,401	(66,924)	112,988	-	318,465
Pakistan	70.10	82,671	96,001	12,793	-	191,465
Pakistan	100.00	-	100,000	857	-	100,857
Pakistan	99.36	-	65,000	4,547	-	69,547
Pakistan	68.68	-	52,626	3,041	-	55,667
Pakistan	11.62	49,203	-	4,888	-	54,091
Pakistan	25.58	48,318	(1)	4,481	-	52,798
Pakistan	93.23	35,472	-	3,338	-	38,810
Pakistan	0.92	-	4,000	238	-	4,238
Pakistan	0.15	4,949	(4,780)	4,753	(695)	4,227
Pakistan	0.13	3,405	-	347	-	3,752
Pakistan	100.00	592	(1)	49	-	640
Pakistan	100.00	594	-	32	-	626
Pakistan	100.00	590	-	29	-	619
Pakistan	100.00	-	500	2	-	502
Pakistan	100.00	-	500	1	-	501
Pakistan	100.00	-	500	(1)	-	499
Pakistan	100.00	-	500	(1)	-	499
Pakistan	-	61	(61)	-	-	-
Pakistan	-	66,496	(66,496)	-	-	-
Pakistan	-	-	(50)	50	-	-
Pakistan	-	1,116	(1,126)	10	-	-
Pakistan	-	46,872	(46,872)	-	-	-
Pakistan	-	75,766	(75,766)	-	-	-
Pakistan	-	1,387	(1,379)	(8)	-	-
Pakistan	-	205	(202)	(3)	-	-
Pakistan	-	47,786	(47,786)	-	-	-
Pakistan	-	3,448	(3,448)	-	-	-
Pakistan	-	-	(15,778)	15,778	-	-
Pakistan	-	-	(2,000)	2,000	-	-
		2,755,728	597,092	273,506	(31,961)	3,594,365

Associates

Faysal Islamic Sovereign Fund - FISP-I
Faysal Halal Amdani Fund
Faysal Islamic Savings Growth Fund
Faysal Islamic Cash Fund
Faysal Islamic Special Income Fund - FISIP-I
Faysal Pension Fund - Equity
Faysal Islamic Pension Fund - Equity
Faysal Islamic Pension Fund - Money Market
Faysal Islamic Pension Fund - Debt
Faysal Pension Fund - Money Market
Faysal Pension Fund - Debt
Faysal Islamic Kpk Government Pension Fund - Money Market Sub Fund
Faysal Islamic Stock Fund
Faysal Islamic Financial Growth Fund - FIFGP-I
Faysal Islamic Mehdood Muddat Plan-I
Faysal Special Savings Fund - FSSP-I
Faysal Islamic Sovereign Plan - II
Faysal Islamic Kpk Government Pension Fund – Equity Index Sub Fund
Faysal Islamic Kpk Government Pension Fund - Debt Sub Fund
Faysal Islamic Kpk Government Pension Fund - Equity Sub Fund
Faysal Special Savings Fund - FSSP-II
Faysal Financial Sector Opportunity Fund
Faysal Islamic Financial Growth Fund-(FIFGP-II)
Faysal Special Savings Fund - FSSP-III
Faysal Stock Fund

As at December 31, 2024						
Country of Incorporation	% Holding	Investment at the beginning of the year	Investment / (redemption) during the year	Share of profit	Dividend received	Investment at the end of the year
Rupees '000-						
Pakistan	2.12	3,046	743,855	117,783	(42,968)	821,716
Pakistan	1.02	1,560,101	(914,617)	39,515	(4,237)	680,762
Pakistan	36.84	1,289,001	(835,484)	111,196	(52,795)	511,918
Pakistan	0.52	-	241,955	31,514	(1,068)	272,401
Pakistan	58.75	1,702	74,444	12,707	(6,182)	82,671
Pakistan	98.28	42,204	-	33,562	-	75,766
Pakistan	74.11	43,254	(10,000)	33,242	-	66,496
Pakistan	17.49	40,893	1	8,309	-	49,203
Pakistan	54.95	40,178	-	8,140	-	48,318
Pakistan	85.20	39,972	(1)	7,815	-	47,786
Pakistan	95.77	39,562	-	7,310	-	46,872
Pakistan	96.11	30,201	-	5,271	-	35,472
Pakistan	0.84	125,253	(131,859)	11,555	-	4,949
Pakistan	0.02	114,230	(115,486)	8,767	(4,063)	3,448
Pakistan	0.11	-	3,081	419	(95)	3,405
Pakistan	99.98	13,170	(12,401)	676	(58)	1,387
Pakistan	0.00	-	(3,124)	4,242	(2)	1,116
Pakistan	100.00	503	-	91	-	594
Pakistan	100.00	503	1	88	-	592
Pakistan	100.00	503	1	86	-	590
Pakistan	77.41	12,672	(12,054)	827	(1,240)	205
Pakistan	0.03	-	(180)	241	-	61
Pakistan	-	-	(2,676)	2,676	-	-
Pakistan	-	15,739	(16,799)	1,060	-	-
Pakistan	-	6,845	(7,317)	472	-	-
		3,419,532	(998,660)	447,564	(112,708)	2,755,728

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

9.5.2 Summary of financial position and performance

Associates

Faysal Financial Sector Opportunity Fund	Pakistan	-	-	-	-	-
Faysal Halal Amdani Fund	Pakistan	2.49	54,123,286	159,752	2,417,055	2,051,603
Faysal Islamic Pension Fund - Debt	Pakistan	25.58	526	25	25	1
Faysal Islamic Pension Fund - Equity	Pakistan	-	124,709	1,327	34,388	32,174
Faysal Islamic Pension Fund - Money Market	Pakistan	11.62	466,797	1,349	26,707	22,613
Faysal Islamic Savings Growth Fund	Pakistan	11.69	5,860,525	18,515	195,787	157,068
Faysal Islamic Special Income Fund - FISIP-I	Pakistan	70.10	275,820	2,616	12,536	11,116
Faysal Islamic Stock Fund	Pakistan	0.15	3,029,929	191,192	386,629	337,049
Faysal Islamic Stock Fund II	Pakistan	0.92	481,096	20,401	128,164	110,417
Faysal Islamic Cash Fund	Pakistan	0.55	-	-	-	-
Faysal Islamic Financial Growth Fund - FIFGP-I	Pakistan	-	5,810,374	28,587	368,796	307,229
Faysal Islamic Sovereign Fund - FISF-I	Pakistan	49.83	1,370,104	21,327	105,660	83,818
Faysal Islamic Sovereign Plan - II	Pakistan	-	1,434,867	9,505	112,291	87,206
Faysal Pension Fund - Debt	Pakistan	-	-	-	-	-
Faysal Pension Fund - Equity	Pakistan	-	-	-	-	-
Faysal Islamic Kpk Government Pension Fund - Money Market Sub Fund	Pakistan	93.23	41,762	134	2,020	1,826
Faysal Islamic Kpk Government Pension Fund - Equity Sub Fund	Pakistan	100.00	641	22	34	31
Faysal Islamic Kpk Government Pension Fund - Debt Sub Fund	Pakistan	100.00	656	15	3	33
Faysal Islamic Kpk Government Pension Fund – Equity Index Sub Fund	Pakistan	100.00	-	-	-	-
Faysal Special Savings Fund - FSPP-I	Pakistan	-	-	-	-	-
Faysal Special Savings Fund - FSPP-II	Pakistan	-	-	-	-	-
Faysal Pension Fund - Money Market	Pakistan	-	-	-	-	-
Faysal Islamic Mehdood Muddat Plan-I	Pakistan	0.13	-	-	-	-
Faysal Islamic Asset Allocation Fund - III -(Faysal Shariah Flex Plan-II)	Pakistan	100.00	101,220	363	1,228	857
Faysal Islamic Punjab Pension Fund-Debt Sub Fund	Pakistan	100.00	526	25	1	1
Faysal Islamic Punjab Pension Fund-Equity Active Sub Fund	Pakistan	100.00	524	25	1	(1)
Faysal Islamic Punjab Pension Fund-Equity Index Sub Fund	Pakistan	100.00	524	524	1	(1)
Faysal Islamic Punjab Pension Fund-Money Market Sub Fund	Pakistan	100.00	527	25	2	2
Faysal Khushal Mustaqbil Fund- Faysal Nu'umah Women Savers Plan	Pakistan	68.68	81,735	682	3,650	2,872
Faysal Islamic Financial Growth Fund - Fitgo-I	Pakistan	-	-	-	-	-
Faysal Islamic Financial Growth Fund-(FIFGP-II)	Pakistan	-	-	-	-	-
Faysal Khushal Mustaqbil Fund- Faysal Barak'ah Women Savers Plan	Pakistan	99.36	70,586	592	3,551	2,786
Faysal Khushal Mustaqbil Fund- Faysal Ujala Women Savers Plan	Pakistan	-	-	-	-	-

Associates

Faysal Financial Sector Opportunity Fund	Pakistan	0.03	207,739	11,100	128,592	122,877	122,877
Faysal Halal Amdani Fund	Pakistan	1.02	66,801,085	332,829	6,374,646	5,708,277	5,708,277
Faysal Income Growth Fund	Pakistan	-	71,224	22,775	119,553	110,873	110,873
Faysal Islamic Pension Fund - Debt	Pakistan	54.95	89,110	1,181	8,229	7,811	7,811
Faysal Islamic Pension Fund - Equity	Pakistan	74.11	100,138	10,418	31,365	30,316	30,316
Faysal Islamic Pension Fund - Money Market	Pakistan	17.49	281,950	614	27,256	26,278	26,278
Faysal Islamic Savings Growth Fund	Pakistan	36.84	1,402,941	13,345	151,259	134,718	134,718
Faysal Islamic Special Income Fund - FISIP-I	Pakistan	58.75	141,832	1,101	13,272	12,265	12,265
Faysal Islamic Stock Fund	Pakistan	0.84	708,284	122,027	115,322	108,770	108,770
Faysal Islamic Cash Fund	Pakistan	0.52	52,701,502	153,823	4,218,274	4,131,471	4,131,471
Faysal Islamic Financial Growth Fund - FIFGP-I	Pakistan	0.02	15,219,409	46,259	1,240,119	1,093,827	1,093,827
Faysal Islamic Financial Growth Fund-(FIFGP-II)	Pakistan	-	19,751,531	13,712	608,637	584,361	584,361
Faysal MTS Fund	Pakistan	-	91,011	3,075	17,881	16,942	16,942
Faysal Islamic Sovereign Fund - FISP-I	Pakistan	2.12	38,978,826	192,196	2,766,517	2,410,942	2,410,942
Faysal Islamic Sovereign Plan - II	Pakistan	0.00	43,183,396	130,885	1,871,857	1,624,927	1,624,927
Faysal Pension Fund - Debt	Pakistan	95.77	49,436	495	4,349	4,078	4,078
Faysal Pension Fund - Equity	Pakistan	98.28	77,600	507	24,899	24,356	24,356
Faysal Islamic Kpk Government Pension Fund - Money Market Sub Fund	Pakistan	96.11	37,006	100	2,770	2,543	2,543
Faysal Islamic Kpk Government Pension Fund - Equity Sub Fund	Pakistan	100.00	601	12	47	40	40
Faysal Islamic Kpk Government Pension Fund - Debt Sub Fund	Pakistan	100.00	607	16	45	40	40
Faysal Islamic Kpk Government Pension Fund - Equity Index Sub Fund	Pakistan	100.00	611	17	47	42	42
Faysal Special Savings Fund - FSSP-I	Pakistan	99.98	1,683	296	42	28	28
Faysal Special Savings Fund - FSSP-II	Pakistan	77.41	1,018	754	25	21	21
Faysal Special Savings Fund - FSSP-III	Pakistan	-	1,018	754	25	21	21
Faysal Pension Fund - Money Market	Pakistan	85.20	56,510	421	4,993	4,727	4,727
Faysal Stock Fund	Pakistan	-	18,738	3,692	4,768	4,280	4,280
Faysal Islamic Mehdood Muddat Plan-I	Pakistan	0.11	3,137,367	3,333	322,450	317,342	317,342

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

9.6 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model

Federal Government securities - Government guaranteed

Ijarah Sukuks

Shares

Listed companies

Oil and gas exploration company
Oil and gas marketing company
Cement
Power generation and distribution
Fertilizer
Commercial banks
Refinery
Automobile Assembler
Investment banks / investment companies / securities
Pharmaceuticals
Textile composite
Engineering
Food & personal care products
Real estate
Textile spinning
Textile weaving
Vanaspati and allied industries
Glass and ceramics
Chemical
Cable & Electrical Goods
Synthetic & Rayon
Paper & Board
Miscellaneous

	2025	2024
	Cost	
	-----Rupees '000-----	
	604,610,921	587,301,250
	604,610,921	587,301,250
	1,946,478	2,126,728
	1,263,128	807,461
	1,201,278	1,682,440
	1,151,097	450,867
	1,146,247	971,105
	575,631	-
	309,696	238,699
	194,693	145,546
	167,319	12,528
	167,166	209,380
	133,403	112,060
	99,816	13
	49,129	-
	16,372	16,372
	4,362	4,362
	1,271	1,271
	243	243
	38	38
	3	631,767
	-	146,111
	-	45,040
	-	43,197
	16	16
	8,427,386	7,645,244

2025		2024	
Cost	Fair Value	Cost	Breakup value
-----Rupees '000-----			

Unlisted companies

1Link (Private) Limited
Al Hamra Avenue (Private) Limited
Al Hamra Hills (Private) Limited
DHA Cogen (Private) Limited
Himont Chemical
Pace Barka Properties Limited
Pakistan Export Finance Guarantee
Naymat Collateral Management
ISE Towers REIT Management Company
Pakistan Corporate Restructuring
Company Limited

50,000	4,041,700	50,000	1,182,173
265,938	-	265,938	N/A
5	-	5	N/A
325,000	-	325,000	N/A
1,037	-	1,037	N/A
52,000	-	52,000	N/A
5,686	-	5,686	N/A
25,000	-	25,000	5,715
-	69,685	-	62,264
-	-	19,250	11,829
724,666	4,111,385	743,916	1,261,981

These investments are fully provided.

For the year ended December 31, 2025

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

10 ISLAMIC FINANCING AND RELATED ASSETS - NET

Note	Performing / Under-performing		Non-performing		Total	
	2025	2024	2025	2024	2025	2024
----- Rupees '000-----						
Murabaha financing and related assets						
Murabaha financing	116,167,475	16,772,851	190,287	128,898	116,357,762	16,901,749
Advance against Murabaha financing	11,857,832	8,809,831	5,000	14,687	11,862,832	8,824,518
Inventory related to Murabaha	2,518,392	2,558,743	-	-	2,518,392	2,558,743
	130,543,699	28,141,425	195,287	143,585	130,738,986	28,285,010
				-		
Running Musharaka	196,818,764	235,138,286	-	-	196,818,764	235,138,286
Istisna financing and related assets						
Istisna	31,370,984	34,068,949	1,297,882	1,896,048	32,668,866	35,964,997
Advance against Istisna	23,482,370	23,683,828	475,128	298,335	23,957,498	23,982,163
Inventory related to Istisna	66,164,399	30,242,203	399,600	1,122,330	66,563,999	31,364,533
	121,017,753	87,994,980	2,172,610	3,316,713	123,190,363	91,311,693
Tijarah financing and related assets						
Tijarah	7,651,493	3,928,174	451,222	409,720	8,102,715	4,337,894
Advance against Tijarah	9,398,391	3,810,688	-	88,000	9,398,391	3,898,688
Inventory related to Tijarah	33,854,904	10,780,109	-	-	33,854,904	10,780,109
	50,904,788	18,518,971	451,222	497,720	51,356,010	19,016,691
Musawamah financing and related assets						
Musawamah	7,220,734	4,559,401	284,914	184,088	7,505,648	4,743,489
Advance against Musawamah	910	735	-	-	910	735
Inventory related to Musawamah	1,080	345	-	-	1,080	345
	7,222,724	4,560,481	284,914	184,088	7,507,638	4,744,569
Salam financing and related assets						
Salam	-	-	1,200	1,200	1,200	1,200
Advance against Salam	10,206,680	10,100,000	-	-	10,206,680	10,100,000
	10,206,680	10,100,000	1,200	1,200	10,207,880	10,101,200
Diminishing Musharaka financing and related assets						
Diminishing Musharaka	305,118,393	230,680,412	7,167,434	6,616,512	312,285,827	237,296,924
Advance against Diminishing Musharaka	14,165,707	9,064,745	4,465	335,000	14,170,172	9,399,745
	319,284,100	239,745,157	7,171,899	6,951,512	326,455,999	246,696,669
Wakala Istithmar financing and related assets						
Wakala Istithmar	-	6,302,669	-	-	-	6,302,669
	-	6,302,669	-	-	-	6,302,669
Tawwaruq	25,398,697	18,880,445	400,648	248,336	25,799,345	19,128,781
Musharaka	-	7,473	193	731	193	8,204
Bai Muajjal	24,850,196	-	-	-	24,850,196	-
Bai salam	245,254	579,527	-	-	245,254	579,527
Islamic financing and related assets - Gross	886,492,655	649,969,414	10,677,973	11,343,885	897,170,628	661,313,299
				-		
Other financing	271,434	734,485	9,758,949	12,991,197	10,030,383	13,725,682
Gross Financing	886,764,089	650,703,899	20,436,922	24,335,082	907,201,011	675,038,981
Fair value loss	(15,421,685)	(16,420,585)	-	-	(15,421,685)	(16,420,585)
	871,342,404	634,283,314	20,436,922	24,335,082	891,779,326	658,618,396
Credit loss allowance against financing						
Stage 1	(1,445,978)	(906,457)	-	-	(1,445,978)	(906,457)
Stage 2	(619,145)	(2,034,675)	-	-	(619,145)	(2,034,675)
Stage 3	-	-	(17,690,209)	(21,687,048)	(17,690,209)	(21,687,048)
	(2,065,123)	(2,941,132)	(17,690,209)	(21,687,048)	(19,755,332)	(24,628,180)
				-		
Financing - net of credit loss allowance	869,277,281	631,342,182	2,746,713	2,648,034	872,023,994	633,990,216

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
10.1 Murabaha receivable - gross	10.1.2	118,282,002	17,675,934
Less: Deferred murabaha income	10.1.3	(543,057)	(474,640)
Profit receivable shown in other assets		(1,381,183)	(299,545)
Murabaha financing	10.1.1	116,357,762	16,901,749
10.1.1 The movement in Murabaha financing during the year is as follows:			
Opening balance		16,901,749	38,451,305
Sales during the year		465,355,168	158,526,120
Adjusted during the year		(365,899,155)	(180,075,676)
Closing balance		116,357,762	16,901,749
10.1.2 Murabaha sale price		118,282,002	17,675,934
Murabaha purchase price		(116,357,763)	(16,901,749)
		1,924,239	774,185
10.1.3 Deferred murabaha income			
Opening balance		474,640	29,223
Arising during the year		7,175,379	5,058,731
Less: recognised during the year		(7,106,962)	(4,613,314)
Closing balance		543,057	474,640
10.2 Particulars of Islamic financing and related assets - Gross			
- in local currency		870,035,380	663,519,222
- in foreign currencies		37,165,631	11,519,759
		907,201,011	675,038,981
10.3 Financing to Women, Women-owned and Managed Enterprises			
Women		6,705,174	4,608,382
Women Owned and Managed Enterprises		593,017	804,313
		7,298,191	5,412,695
10.3.1 Gross financing disbursed to women, women-owned and managed enterprises during the year is Rs. 15,115.704 million (December 31, 2024 : Rs. 13,854.184 million).			
10.4 Islamic financing and related assets include Rs. 20,436.922 million (December 31, 2024: Rs. 24,335.082 million) which have been placed under non-performing / Stage 3 status as detailed below:			

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Category of classification in stage 3	2025		2024	
	Non-performing financing	Credit loss allowance	Non-performing financing	Credit loss allowance
----- Rupees '000-----				
Domestic				
- other assets especially mentioned	211,564	-	300,209	1,545
- substandard	1,170,385	392,905	1,229,356	637,774
- doubtful	2,042,432	1,280,914	2,615,793	1,593,190
- loss	17,012,541	16,016,390	20,189,724	19,454,539
Total	20,436,922	17,690,209	24,335,082	21,687,048

10.5 Islamic financing and related assets - Particulars of credit loss allowance

Note	2025				2024					
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total
----- Rupees '000-----										
Opening balance	906,457	2,034,675	21,687,048	24,628,180	-	-	-	19,172,592	877,670	-
Impact of adopting IFRS 9	-	-	-	-	936,972	5,264,393	20,954,552	(19,172,592)	(877,670)	27,155,917
Balance / restated balance	906,457	2,034,675	21,687,048	24,628,180	936,972	5,264,393	20,954,552	-	-	27,155,917
Exchange adjustment	-	-	7,497	7,497	-	-	(9,663)	-	-	(9,663)
Charge for the year	1,173,185	203,785	1,067,905	2,444,875	529,876	990,613	3,373,969	-	-	4,894,458
Reversals during the year	(633,664)	(1,619,315)	(3,732,662)	(5,985,641)	(560,391)	(4,220,331)	(2,149,262)	-	-	(6,929,984)
	539,521	(1,415,530)	(2,664,757)	(3,540,766)	(30,515)	(3,229,718)	1,224,707	-	-	(2,035,526)
Amounts written off 10.9.1	-	-	(16,613)	(16,613)	-	-	(4,783)	-	-	(4,783)
Amounts charged-off	-	-	(1,322,966)	(1,322,966)	-	-	(477,765)	-	-	(477,765)
Closing balance	1,445,978	619,145	17,690,209	19,755,332	906,457	2,034,675	21,687,048	-	-	24,628,180

10.5.1 Credit loss allowance for Stage 1 and Stage 2 represents credit loss allowance maintained against performing and under-performing portfolio respectively as required under IFRS 9.

10.5.2 Particulars of credit loss allowance against financing in respect of currencies

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
----- Rupees '000-----								
In local currency	1,443,450	617,893	17,023,408	19,084,751	901,561	2,033,007	21,027,745	23,962,313
In foreign currencies	2,528	1,252	666,801	670,581	4,896	1,668	659,303	665,867
	1,445,978	619,145	17,690,209	19,755,332	906,457	2,034,675	21,687,048	24,628,180

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

10.5.3 As allowed by the SBP, the Group has availed benefit of forced sale value (FSV) of collaterals held as security of Rs. 806.350 million (December 31, 2024: Rs. 771.625 million) related to financing while determining the provisioning requirement against non-performing financing as at December 31, 2025. The additional profit arising from availing the FSV benefit (net of tax) as at December 31, 2025 which is not available for distribution as either cash or stock dividend to shareholders approximately amounted to Rs. 378.895 million (December 31, 2024: Rs. 354.947 million).

10.6 Islamic financing and related assets - Gross Exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
----- Rupees '000-----						
Opening balance	556,718,602	93,985,297	24,335,082	-	-	-
Impact of adopting IFRS 9	-	-	-	519,072,926	58,629,011	23,059,641
Balance / Restated balance	556,718,602	93,985,297	24,335,082	519,072,926	58,629,011	23,059,641
New Financing	684,791,440	5,795,462	-	254,222,164	39,054,512	-
Financing derecognised or repaid	(401,665,748)	(52,102,217)	(3,324,825)	(197,118,005)	(19,305,771)	(2,083,286)
Transfer to stage 1	35,321,919	(35,321,919)	-	628	(628)	-
Transfer to stage 2	(414,761)	666,867	(252,106)	(18,009,404)	18,075,380	(65,976)
Transfer to stage 3	(770,833)	(240,020)	1,010,853	(1,449,707)	(2,467,207)	3,916,914
	317,262,017	(81,201,827)	(2,566,078)	37,645,676	35,356,286	1,767,652
Amounts written-off	-	-	(16,613)	-	-	(4,783)
Amounts charged-off	-	-	(1,322,966)	-	-	(477,765)
Exchange adjustment	-	-	7,497	-	-	(9,663)
Closing balance	873,980,619	12,783,470	20,436,922	556,718,602	93,985,297	24,335,082

10.7 Islamic financing and related assets - Credit loss allowance

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
----- Rupees '000-----						
Opening balance	906,457	2,034,675	21,687,048	-	-	-
Impact of adopting IFRS 9	-	-	-	936,972	5,264,393	20,954,552
Balance / Restated balance	906,457	2,034,675	21,687,048	936,972	5,264,393	20,954,552
New Financing / Increase	1,009,355	175,919	-	805,133	191,006	1,725,492
Financing derecognised or repaid	(922,693)	(987,043)	(2,657,347)	(241,527)	(1,670,418)	(2,147,246)
Transfer to stage 1	594,583	(593,238)	(1,345)	31	(31)	-
Transfer to stage 2	(5,394)	29,051	(23,657)	(457,946)	459,962	(2,016)
Transfer to stage 3	(6,811)	(12,033)	18,844	(16,394)	(1,872,697)	1,889,091
	669,040	(1,387,344)	(2,663,505)	89,297	(2,892,178)	1,465,321
Amounts written off	-	-	(16,613)	-	-	(4,783)
Amounts charged off	-	-	(1,322,966)	-	-	(477,765)
Changes in risk parameters (PD/LGD)	(129,519)	(28,186)	(1,252)	(119,812)	(337,540)	(240,614)
Exchange adjustment	-	-	7,497	-	-	(9,663)
Closing balance	1,445,978	619,145	17,690,209	906,457	2,034,675	21,687,048

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For the year ended December 31, 2025

10.8 Islamic financing and related assets - Credit loss allowance details Internal / External rating / stage classification

	2025		2024	
	Outstanding Amount	ECL	Outstanding Amount	ECL
----- Rupees '000-----				
Outstanding gross exposure				
Performing - Stage 1	873,980,619	1,445,978	556,718,602	906,457
Under Performing - Stage 2	12,783,470	619,145	93,985,297	2,034,675
Non-performing - Stage 3				
Other assets especially mentioned	211,564	-	300,209	1,545
Substandard	1,170,385	392,905	1,229,356	637,774
Doubtful	2,042,432	1,280,914	2,615,793	1,593,190
Loss	17,012,541	16,016,390	20,189,724	19,454,539
	20,436,922	17,690,209	24,335,082	21,687,048
Total	907,201,011	19,755,332	675,038,981	24,628,180

	Note	2025	2024
		----- Rupees '000-----	
10.9 Particulars of write-offs			
10.9.1 Against credit loss allowance	10.5	16,613	4,783
Directly charged to profit and loss account	33	9,014	12,758
		<u>25,627</u>	<u>17,541</u>
10.9.2 Write-offs of Rs. 500,000 and above*			
- domestic	10.11	18,615	825
Write-offs of below Rs. 500,000 - domestic*		7,012	16,716
		<u>25,627</u>	<u>17,541</u>

*The write-offs do not, in any way, prejudice the Group's right of recovery from these customers.

10.10 Fair value loss pertains to SBP subsidized financing, subsidized staff financing and modified financing amounting to Rs. 5,590.294 million, Rs. 6,689.029 million and Rs. 3,142.362 million respectively.

10.11 Details of financing written-off of Rs. 500,000/- and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off financing or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2025 is given in Annexure - I to these consolidated financial statements. The write-offs (including written-off amount less than Rs. 500,000/-) do not, in any way, prejudice the Bank's right of recovery from these customers.

10.12 Charged-off financing

Particulars	2025		2024	
	No. of Borrowers	Rupees '000	No. of Borrowers	Rupees '000
----- Rupees '000-----				
Opening Balance of charged-offs	38,953	6,578,101	65,561	6,337,971
Charge-off during the year	5,095	1,326,293	3,552	525,797
Sub-total	44,048	7,904,394	69,113	6,863,768
Less : Recoveries made during the year against already charged-off cases	4,103	284,598	29,341	251,891
Less : Amount written off from already charged off financing	107	5,335	819	33,776
Closing Balance of charge-offs	<u>39,838</u>	<u>7,614,461</u>	<u>38,953</u>	<u>6,578,101</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
11 PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	4,626,868	6,661,796
Property and equipment	11.2	48,873,701	38,347,982
		<u>53,500,569</u>	<u>45,009,778</u>
11.1 Capital work-in-progress			
Civil works		882,572	678,866
Equipment		2,248,460	3,686,465
Furniture and fixture		516,134	787,138
Vehicles		327,181	1,188,023
Building		652,521	321,304
		<u>4,626,868</u>	<u>6,661,796</u>
11.2 Property and equipment			

2025								
Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold property and improvement	Total

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

At January 1, 2025

Cost / revalued amount	3,945,159	10,489,938	868,628	6,891,318	2,401,398	16,584,425	4,451,972	9,005,333	54,638,171
Accumulated depreciation	-	-	107,574	629,945	1,291,678	9,940,447	428,931	3,891,614	16,290,189
Net book value	<u>3,945,159</u>	<u>10,489,938</u>	<u>761,054</u>	<u>6,261,373</u>	<u>1,109,720</u>	<u>6,643,978</u>	<u>4,023,041</u>	<u>5,113,719</u>	<u>38,347,982</u>

Year ended December 31, 2025

Opening net book value	3,945,159	10,489,938	761,054	6,261,373	1,109,720	6,643,978	4,023,041	5,113,719	38,347,982
Additions	-	2,031,222	37,562	613,602	745,048	4,633,457	3,628,744	2,374,955	14,064,590
Transfer from non-banking assets (note 14.1.1)	-	-	-	-	-	-	-	-	-
	-	-	94,578	-	-	-	-	-	94,578
Movement in surplus on assets revalued during the year	98,125	314,404	314,469	1,459,618	-	-	-	-	2,186,616
Disposals	-	-	-	(6,464)	(3,321)	(9,517)	(690,429)	(4,368)	(714,099)
Depreciation charge	-	-	(49,255)	(319,814)	(221,686)	(2,512,242)	(1,028,814)	(973,688)	(5,105,499)
Other adjustments / transfers	40,000	-	75,023	213,409	2,713	11,693	(2,265)	(341,040)	(467)
Closing net book value	<u>4,083,284</u>	<u>12,835,564</u>	<u>1,233,431</u>	<u>8,221,724</u>	<u>1,632,474</u>	<u>8,767,369</u>	<u>5,930,277</u>	<u>6,169,578</u>	<u>48,873,701</u>

At December 31, 2025

Cost / revalued amount	4,083,284	12,835,564	1,233,431	8,224,660	3,088,200	19,899,005	7,251,103	11,015,863	67,631,110
Accumulated depreciation	-	-	-	2,936	1,455,726	11,131,636	1,320,826	4,846,285	18,757,409
Net book value	<u>4,083,284</u>	<u>12,835,564</u>	<u>1,233,431</u>	<u>8,221,724</u>	<u>1,632,474</u>	<u>8,767,369</u>	<u>5,930,277</u>	<u>6,169,578</u>	<u>48,873,701</u>

Rate of depreciation (%) / useful life	-	-	2%-11%	2%-25%	10%-20%	14%-50%	20%	10%-20%	

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2024								
Freehold land	Leasehold land	Building on freehold land	Building on leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold property and improvement	Total

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

At January 1, 2024

Cost / revalued amount	3,773,600	7,908,776	806,796	5,742,733	1,918,603	11,554,419	550,476	6,274,605	38,530,008
Accumulated depreciation	-	-	52,255	308,121	1,147,148	8,062,166	225,442	3,225,204	13,020,336
Net book value	3,773,600	7,908,776	754,541	5,434,612	771,455	3,492,253	325,034	3,049,401	25,509,672

Year ended December 31, 2024

Opening net book value	3,773,600	7,908,776	754,541	5,434,612	771,455	3,492,253	325,034	3,049,401	25,509,672
Additions	171,559	2,581,162	23,531	1,193,208	485,281	5,046,949	3,906,416	2,727,731	16,135,837
Transfer from non-banking assets (note 14.1.1)	-	-	36,827	-	-	-	-	-	36,827
Disposals	-	-	-	-	(217)	(2,513)	(574)	(378)	(3,682)
Depreciation charge	-	-	(53,845)	(328,890)	(147,778)	(1,892,911)	(207,836)	(683,039)	(3,314,299)
Other adjustments / transfers	-	-	-	(37,557)	979	200	1	20,004	(16,373)
Closing net book value	3,945,159	10,489,938	761,054	6,261,373	1,109,720	6,643,978	4,023,041	5,113,719	38,347,982

At December 31, 2024

Cost / revalued amount	3,945,159	10,489,938	868,628	6,891,318	2,401,398	16,584,425	4,451,972	9,005,333	54,638,171
Accumulated depreciation	-	-	107,574	629,945	1,291,678	9,940,447	428,931	3,891,614	16,290,189
Net book value	3,945,159	10,489,938	761,054	6,261,373	1,109,720	6,643,978	4,023,041	5,113,719	38,347,982

Rate of depreciation (%) / useful life	-	-	2%-11%	2%-25%	10%-20%	14%-50%	20%	10%-20%	

11.2.1 The cost of fully depreciated fixed assets that are still in the Group's use is as follows:

	2025	2024
	----- Rupees '000 -----	
Furniture and fixture	771,415	805,440
Electrical, office and computer equipment	6,579,834	6,904,656
Vehicles	171,207	184,998
Leasehold property and improvement	1,903,185	1,736,513
Building on leasehold land	-	99,000
Building on freehold land	-	17,000
	9,425,641	9,747,607

11.2.2 During the year, the Group has transferred a property from non-banking assets to property and equipment having book value of Rs 94.578 million.

11.2.3 The Bank's freehold / leasehold land and buildings on freehold / leasehold land has been revalued by Joseph Lobo Co. (Private) Limited, Indus Surveyors (Pvt) Limited and KG Traders (Pvt) Ltd on December 31, 2025 on the basis of professional assessments of the market value. The revaluations resulted in a surplus of Rs 2,186.616 million over the book value.

Notes to the Consolidated Financial Statements

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11.2.4 During the year, the management of the Bank has revised its estimate of the useful life of UPS Batteries, Generators, Elevators, Solar System, Chillers & Fire Fighting Systems' category under 'electrical, office and computer equipment'. Previously, assets under this category were depreciated over 5 years and now these are being depreciated over a revised useful life of 2 to 20 years.

The revision has been accounted for as a change in accounting estimate in accordance with the requirements of International Accounting Standard (IAS) 8 'Accounting policies, changes in accounting estimates and errors'. Had the revision in useful lives of these assets not been made, the depreciation expense for the year would have been higher by Rs 293 million and consequently profit before tax would have been lower by the same amount.

Had there been no revaluation, the carrying amount of revalued assets as at December 31, 2025 would have been as follows;

	2025	2024
	-----Rupees '000-----	
Freehold land	1,519,596	1,479,596
Leasehold land	7,083,025	5,051,803
Building on freehold land	536,871	385,028
Building on leasehold land	3,336,318	2,652,659
	<u>12,475,810</u>	<u>9,569,086</u>

11.2.5 Details of disposals of property and equipment

The information relating to disposal of property and equipment to related parties is as follows:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of buyer
	----- Rupees '000-----					
Vehicles						
Toyota Revo	7,328.00	1,172.00	6,156.00	6,156.00	Bank's Policy	Syed Shuja Haider (Key Management Personnel)
Hyundai Tucson	6,725.00	897.00	5,828.00	5,828.00	Bank's Policy	Abadullah (Key Management Personnel)
Toyota Prado	23,631.00	4,726.00	18,905.00	18,905.00	Bank's Policy	Syed Majid Ali (Ex Key Management Personnel)
Peugeot Turbo	4,933.00	789.00	4,144.00	4,144.00	Bank's Policy	Monis Mirza (Key Management Personnel)
Toyota Corolla	1,125.00	60.00	1,065.00	1,065.00	Bank's Policy	Aneeq Malik (Key Management Personnel)
GWM Haval	6,391.00	937.00	5,454.00	5,454.00	Bank's Policy	Syed Shuja Haider (Key Management Personnel)
	50,133.00	8,581.00	41,552.00	41,552.00		
Electrical Equipment						
Cellular Phone	55.00	55.00	-	11.00	Bank's Policy	Nasir Islam (Key Management Personnel)
Cellular Phone	55.00	55.00	-	11.00	Bank's Policy	Syed Majid Ali (Ex Key Management Personnel)
	110.00	110.00	-	22.00		
	50,243.00	8,691.00	41,552.00	41,574.00		

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12 RIGHT-OF-USE ASSETS

Opening balance

Cost

Accumulated Depreciation

Net carrying amount as at January 1

Additions during the year

Modifications during the year

Deletions during the year

Depreciation Charge for the year (note 31)

Net carrying amount as at December 31

Buildings

2025

2024

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

23,432,234	18,790,212
10,134,450	8,018,697
13,297,784	10,771,515
4,651,949	4,891,312
217	2,365
(36,056)	(251,655)
(2,523,345)	(2,115,753)
15,390,549	13,297,784

Note

2025

2024

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

13 INTANGIBLE ASSETS

Capital work-in-progress

Intangibles

13.1

13.2

453,895	819,499
1,995,006	1,919,592
2,448,901	2,739,091

13.1 Capital work-in-progress

Computer software

453,895	819,499

13.2 Intangibles

2025				
Goodwill	Management rights	Computer software	Customer relationship (note 13.3.2)	Total

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

At January 1, 2025

Cost

Accumulated amortisation

Net book value

238,484	114,600	4,942,873	2,557,167	7,853,124
238,484	-	3,426,497	2,268,551	5,933,532
-	114,600	1,516,376	288,616	1,919,592

Year ended December 31, 2025

Opening net book value

Additions - directly purchased

Amortisation charge (note 31)

Closing net book value

-	114,600	1,516,376	288,616	1,919,592
-	-	742,871	-	742,871
-	-	(591,456)	(76,001)	(667,457)
-	114,600	1,667,791	212,615	1,995,006

At December 31, 2025

Cost

Accumulated amortisation and impairment

Net book value

238,484	114,600	5,685,744	2,557,167	8,595,995
238,484	-	4,017,953	2,344,552	6,600,989
-	114,600	1,667,791	212,615	1,995,006

Rate of amortisation (percentage)

Useful life

N/A	N/A	14%-20%	5%-7%	
N/A	N/A	5-7 years	10-19 years	

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	2024				
	Goodwill	Management rights	Computer software	Customer relationship (note 13.3.2)	Total
At January 1, 2024	----- Rupees '000 -----				
Cost	238,484	114,600	4,145,178	2,557,167	7,055,429
Accumulated amortisation	238,484	-	2,976,534	2,187,953	5,402,971
Net book value	-	114,600	1,168,644	369,214	1,652,458
Year ended December 31, 2024					
Opening net book value	-	114,600	1,168,644	369,214	1,652,458
Additions - directly purchased	-	-	797,695	-	797,695
Amortisation charge (note 31)	-	-	(449,963)	(80,598)	(530,561)
Closing net book value	-	114,600	1,516,376	288,616	1,919,592
At December 31, 2024					
Cost	238,484	114,600	4,942,873	2,557,167	7,853,124
Accumulated amortisation and impairment	238,484	-	3,426,497	2,268,551	5,933,532
Net book value	-	114,600	1,516,376	288,616	1,919,592
Rate of amortisation (percentage)	N/A	N/A	14%-20%	5%-7%	
Useful life	N/A	N/A	5-7 years	10-19 years	

13.2.1 The cost of fully amortised intangible assets that are still in the Group's use is as follows:

	Note	2025	2024
		----- Rupees '000 -----	
Computer software		2,697,356	2,448,787
Customer relationship	13.2.2	1,185,532	1,185,532
		3,882,888	3,634,319

13.2.2 This represents an intangible asset (customer relationship) which comprises of core deposits which were recognised at the time of acquisition of ex-RBS Pakistan. These core deposits represent the funding benefit that would be available to the Holding Company on account of availability of funding through deposit customers rather than from the wholesale or interbank market. This benefit also considers the fact that the economic life time of these deposits is longer than their contractual life. Based on this assumption, this intangible asset had been valued using certain valuation techniques and is being amortised over the life expectancy of these deposits. As more fully explained in note 13.3 to these consolidated financial statements, the SBP allowed the Holding Company to adjust the amortisation charge arising on this intangible asset against non-distributable capital reserve. The remaining amortisation period of this intangible asset is ranging from 4 to 5 years.

13.3 Non-distributable capital reserve - gain on bargain purchase

As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as non-distributable capital reserve (NCR). The SBP allowed the Group to adjust the amortisation of the intangible asset against the portion of reserve which arose on account of such asset. Accordingly, the Group has adjusted amortisation of intangible asset amounting to Rs 33.594 million (2024: Rs. 52.650 million) (net of tax) from the non-distributable capital reserve.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
14 OTHER ASSETS			
Profit / return accrued in local currency	14.2	30,102,197	35,623,116
Profit / return accrued in foreign currency	14.2	189,757	40,309
Advances, deposits, advance rent and other prepayments		2,557,469	2,177,180
Advance taxation (payments less provisions)		2,454,558	3,470,731
Non-Banking assets acquired in satisfaction of claims	14.1	1,028,271	1,375,587
Mark to market gain on forward foreign exchange contracts		400,498	196,593
Acceptances	20	26,907,577	24,059,259
Credit cards and other products fee receivable		4,677,068	2,186,211
Receivable from brokers against sale of shares		432,455	69,391
Dividend receivable		75,369	74,341
Deferred fair value loss	14.4	2,809,353	3,139,855
Prepaid employment benefit	14.5	6,689,029	5,234,138
Rebate receivable - net		6,989,177	2,568,022
Receivable from defined benefit plan asset	38.1.4 & 39.1.3	168,371	-
Others		870,509	1,562,732
		<u>86,351,658</u>	<u>81,777,465</u>
Less: credit loss allowance held against other assets	14.3.1	(446,288)	(328,536)
Other assets - net of credit loss allowance		<u>85,905,370</u>	<u>81,448,929</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22.2	921,260	1,734,105
Other assets - total		<u>86,826,630</u>	<u>83,183,034</u>
14.1 Market value of non-banking assets acquired in satisfaction of claims		<u>1,949,531</u>	<u>3,116,825</u>

The non-banking assets acquired in satisfaction of claims by the Holding company have been revalued by an independent professional valuer as at December 31, 2025. The revaluation was carried out by Joseph Lobo (Private) Limited on the basis of professional assessment of present market values. The SBP's Regulations for Debt Property Swap require the Bank to carry out a full scope valuation of non-banking assets after every three years.

	Note	2025	2024
		-----Rupees '000-----	
14.1.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		3,109,692	2,664,831
Additions		125,026	484,250
Transferred to property and equipment	11.2.2	(94,578)	(36,827)
Movement in surplus during the year	22.2	(307,175)	-
Disposals		(850,000)	-
Transfer to other expenses		(32,250)	-
Depreciation	31	(1,184)	(2,562)
Closing balance		<u>1,949,531</u>	<u>3,109,692</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

- 14.2** This includes profit / return accrued from stage 1 and stage 2 customers amounting to Rs. 29,107.439 million and Rs. 1,179.012 million respectively.

	Note	2025	2024
-----Rupees '000-----			
14.3 Credit loss allowance held against other assets			
Dividend receivable		74,341	74,341
Receivable from customers		53,717	51,173
Security deposits		22,994	22,994
Acceptances		4,652	2,206
Others		290,584	177,822
		<u>446,288</u>	<u>328,536</u>
14.3.1 Movement in credit loss allowance held against other assets			
Opening balance		328,536	328,963
Impact of adopting IFRS 9 as at January 1		-	2,575
Restated balance as at January 1		328,536	331,538
Charge for the year		119,135	-
Reversals during the year		-	(3,002)
	33	119,135	(3,002)
Transfer		(1,383)	
Closing balance		<u>446,288</u>	<u>328,536</u>

14.3.2 Particulars of credit loss allowance held against other assets

	2025		2024	
	Outstanding Amount	ECL	Outstanding Amount	ECL
-----Rupees '000-----				
Stage 1	25,844,803	3,129	10,583,930	353
Stage 2	1,062,774	1,523	13,475,328	1,853
Stage 3	441,636	441,636	324,947	326,330
	<u>27,349,213</u>	<u>446,288</u>	<u>24,384,205</u>	<u>328,536</u>

- 14.4** This amount represents deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its circular BPRD/BRD/PIAHCL/733688-2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6, accordingly, the Holding Company has amortized 10% in the current year.

- 14.5** The amount represents the prepaid employment benefit recognized in connection with concessional Islamic financing facilities provided to employees. These facilities were initially recognized at fair value due to the adoption of IFRS 9 as applicable in Pakistan. The resultant benefit arising from these concessional facilities is subsequently accounted for under IAS 19 Employee Benefits. The prepaid employee benefit is amortized in a manner that reflects the concessional facilities' income recognition. The current year amortization of prepaid employee benefit asset amounts to Rs. 485.436 million.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024	
-----Rupees '000-----				
15	BILLS PAYABLE			
	In Pakistan	33,288,005	39,169,649	
16	DUE TO FINANCIAL INSTITUTIONS			
	Secured			
	To the State Bank of Pakistan (SBP) under			
	Islamic export refinance scheme part I and II	16.1	18,390,114	25,700,039
	Islamic financing for renewable energy	16.2	6,667,864	7,656,474
	Islamic long term financing facility	16.3	7,354,964	9,245,606
	Islamic temporary economic refinance scheme	16.4 & 16.16	22,732,935	27,139,072
	Islamic refinance facility for combating COVID-19	16.5	32,778	99,444
	Islamic refinance facility for storage of agricultural produce	16.6	1,009,243	641,836
	Islamic Refinance Facility for Modernization of SMEs (IRFMS)	16.7	67,000	679,690
	Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises (IWCF)	16.8	15,750	-
	Islamic Refinance Scheme For Women Entrepreneurs (IRSWE)	16.9	16,588	-
	Scheme of Islamic Rupee-based discounting facility under EFS / IERS	16.10	431,130	-
			56,718,366	71,162,161
	Due to SBP under Shari'ah compliant Open Market Operations (OMO) and Mudarabah based Financing Facility (MFF)	16.11 & 16.14	63,430,689	128,110,425
	Due to other financial institutions	16.12	3,440,000	2,849,632
	Total secured		123,589,055	202,122,218
	Unsecured			
	Overdrawn nostro accounts		443,783	839,944
	Musharaka acceptances	16.13	3,500,000	85,650,000
	Total unsecured		3,943,783	86,489,944
	Fair value adjustment	16.16	(5,895,888)	(8,169,622)
			121,636,950	280,442,540

16.1 In accordance with the Islamic export refinance scheme (IERS), the Holding Company has entered into musharaka agreements for financing with the SBP for extending export finance to the customers. The average profit rates on this facility range from 6% to 16% (2024: 2% to 18%) payable on quarterly basis with maturities upto 180 days from the date of grant. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.2 In accordance with the Islamic financing facility for renewable energy, the Holding Company has entered into mudarabah agreements for financing with the SBP for extending renewable energy finance to customers. The average profit rates on this facility range from 2% to 3% (2024: 1% to 3%) payable on quarterly basis with maturities upto June 2034. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

16.3 In accordance with the Islamic long term financing facility for plant and machinery, the Holding Company has entered into mudarabah agreements for financing with the SBP for extending Islamic long term finance to the customers. The average profit rates on this facility range from 2% to 5% (2024: 2% to 7%) payable on quarterly basis with maturities upto December 2034. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

- 16.4** In accordance with the Islamic temporary economic refinance facility (ITERF), the Holding Company has entered into mudarabah agreements for financing with the SBP for extending finance to the customers. The average profit rate on this facility is 1% (2024: 1%) payable on quarterly basis with maturities upto July 2033. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.
- 16.5** In accordance with the Islamic refinance facility for combating COVID-19, the Holding Company has entered into mudarabah agreements for financing with the SBP for extending medical equipment finances to the customers. The average profit rate on this facility is 0% (2024: 0%) payable on quarterly basis with maturities upto June 2026. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.
- 16.6** These represent balances due to the SBP under scheme of Islamic financing facility for storage of agricultural produce (IFFSAP). The profit rate on this facility is 2% to 3% per annum (2024: 2%) payable on quarterly basis with maturity upto December 2032. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.
- 16.7** These represent balances due to the SBP under scheme of Islamic Refinance Facility for Modernization of SMEs (IRFMS). The profit rate on this facility is ranging from 2% to 3% per annum (2024: Nil) payable on quarterly basis with maturity upto May 2030. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.8** These represent balances due to the SBP under scheme of Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises (IWCF). The profit rate on this facility is ranging from 2% to 3% per annum (2024: Nil) payable on quarterly basis with maturity upto January 2026. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.9** These represent balances due to the SBP under scheme of 'Islamic Refinance Scheme For Women Entrepreneurs (IRSWE). The profit rate on this facility is 0% per annum (2024: Nil) payable on quarterly basis with maturity upto February 2030. As per the agreements, the Bank has granted the SBP the right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the current account maintained by the Bank with the SBP.
- 16.10** In accordance with rupee based discounting scheme under IERS, the Holding Company has entered into musharaka agreements for financing with the SBP for extending export finance to the customers. The average profit rates on this facility range from 1% to 2% (2024: 0.5% to 2%) payable on quarterly basis with maturities upto 180 days from the date of grant. As per the agreements, the Holding Company has granted the SBP the right to recover the outstanding amounts from the Holding Company at the date of maturity of the finances by directly debiting the current account maintained by the Holding Company with the SBP.
- 16.11** This represents borrowing from State Bank of Pakistan under Open Market Operation and Mudarabah based Financing Facility (MFF). The average profit rate on these borrowing is 11.50% (2024: 13.13% to 14%) per annum having maturity in January 2026.
- 16.12** This represents borrowing from Pakistan Mortgage Refinance Company (PMRC). The average profit rate on this ranges from 9.5% to 16.63% (2024: 8.75% to 20.86%) per annum having maturity in March 2028.
- 16.13** This represents Musharaka acceptance on profit and loss sharing basis. The expected rates on these deals ranges from 10.60% (2024: 11.15% to 13.50%) per annum having maturity in January 2026.
- 16.14** Details and nature of securities pledged as collateral against due to financial institution are given in note 9.3 to these consolidated financial statements.

	2025	2024
16.15 Particulars of due to financial institutions with respect to currencies		
- in local currency	121,193,167	279,602,596
- in foreign currencies	443,783	839,944
	<u>121,636,950</u>	<u>280,442,540</u>

- 16.16** This amount pertains to fair valuation adjustment relating to SBP subsidized financing.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

17 DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- Rupees '000-----						
Customers						
Current deposits	407,122,316	36,605,777	443,728,093	298,972,004	33,564,674	332,536,678
Savings deposits	374,881,954	26,120,130	401,002,084	326,085,655	20,015,285	346,100,940
Term deposits	221,302,136	3,064,504	224,366,640	147,345,424	2,983,343	150,328,767
Margin deposits	11,850,922	55,940	11,906,862	11,428,184	22,645	11,450,829
	1,015,157,328	65,846,351	1,081,003,679	783,831,267	56,585,947	840,417,214
Financial institutions						
Current deposits	79,916,661	99,522	80,016,183	63,430,479	679,223	64,109,702
Savings deposits	231,187,180	143,648	231,330,828	138,539,752	64,080	138,603,832
Term deposits	34,485,000	-	34,485,000	885,000	-	885,000
	345,588,841	243,170	345,832,011	202,855,231	743,303	203,598,534
	1,360,746,169	66,089,521	1,426,835,690	986,686,498	57,329,250	1,044,015,748

17.1 Composition of deposits

- Individuals
- Government (Federal and Provincial)
- Public sector entities
- Banking companies
- Non-banking financial institutions
- Private sector

Note	2025	2024
	-----Rupees '000-----	
	235,032,982	214,764,642
	35,424,175	12,732,040
	47,144,184	22,346,944
	20,013,200	362,015
	326,339,046	203,236,519
	763,402,338	590,573,588
17.1.1	1,427,355,925	1,044,015,748

17.1.1 These include deposits eligible to be covered under insurance arrangements amounting to Rs 651,798 million (2024: Rs. 628,344 million).

18 LEASE LIABILITIES

	2025	2024
	-----Rupees '000-----	
Outstanding amount at the start of the year	15,582,671	12,865,125
Additions during the year	4,651,949	4,891,312
Lease payments including profit	(3,814,662)	(3,769,535)
Profit expense for the year	2,161,547	1,862,095
Modifications during the year	217	2,365
Termination / deletion during the year	(53,014)	(268,691)
Outstanding amount at the end of the year	18,528,708	15,582,671
Contractual maturity of lease liabilities		
Short-term lease liabilities - within one year	51,580	39,553
Long-term lease liabilities		
- 1 to 5 years	4,118,569	2,991,272
- 5 to 10 years	12,610,109	11,183,392
- More than 10 years	1,748,450	1,368,454
	18,477,128	15,543,118
Total lease liabilities	18,528,708	15,582,671

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

19 DEFERRED TAX LIABILITIES

Deductible temporary differences on;

- credit loss allowance against investments
- credit loss allowance against financing, off balance sheet etc.
- fair value adjustment relating to financing
- lease agreements under IFRS 16
- credit loss allowance against other assets

Taxable temporary differences on;

- surplus on revaluation of property and equipment
- surplus on revaluation of non-banking assets
- surplus on revaluation of investments
- fair value adjustment relating to net assets acquired upon amalgamation
- fair value adjustment relating to net assets acquired upon business combination
- accelerated tax depreciation
- fair valuation of previously held equity interest in the Subsidiary Companies
- Others

2025			
At January 1, 2025	Recognised in P&L	Recognised in OCI / Equity	At December 31, 2025
----- Rupees '000-----			
(329,087)	9,632	-	(319,455)
(2,694,794)	1,031,576	-	(1,663,218)
(134,565)	(136,692)	-	(271,257)
-	(2,618,034)	-	(2,618,034)
(135,299)	(58,679)	-	(193,978)
(3,293,745)	(1,772,197)	-	(5,065,942)
2,123,177	(108,606)	899,103	2,913,674
16,958	-	(16,958)	-
12,706,718	-	(7,032,949)	5,673,769
173,964	-	(42,408)	131,556
52,496	-	-	52,496
1,277,885	288,830	-	1,566,715
30,764	-	-	30,764
13,118	(63,676)	(10,841)	(61,399)
16,395,080	116,548	(6,204,053)	10,307,575
13,101,335	(1,655,649)	(6,204,053)	5,241,633

Deductible temporary differences on;

- credit loss allowance against investments
- credit loss allowance against financing, off balance sheet etc.
- fair value adjustment relating to financing
- credit loss allowance against other assets

Taxable temporary differences on;

- surplus on revaluation of property and equipment
- surplus on revaluation of non-banking assets
- surplus on revaluation of investments
- fair value adjustment relating to net assets acquired upon amalgamation
- fair value adjustment relating to net assets acquired upon business combination
- accelerated tax depreciation
- fair valuation of previously held equity interest in the Subsidiary Companies
- Others

2024			
At January 1, 2024	Recognised in P&L	Recognised in OCI / Equity	At December 31, 2024
----- Rupees '000-----			
(847,584)	67,221	451,276	(329,087)
(16,248)	846,268	(3,524,814)	(2,694,794)
-	(73,527)	(61,038)	(134,565)
(105,740)	(28,298)	(1,261)	(135,299)
(969,572)	811,664	(3,135,837)	(3,293,745)
2,093,908	(142,228)	171,497	2,123,177
16,201	-	757	16,958
3,203,408	70,541	9,432,769	12,706,718
180,916	-	(6,952)	173,964
52,496	-	-	52,496
349,641	928,244	-	1,277,885
13,118	-	-	13,118
-	-	30,764	30,764
5,909,688	856,557	9,628,835	16,395,080
4,940,116	1,668,221	6,492,998	13,101,335

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
20 OTHER LIABILITIES			
Profit / return payable in local currency		7,885,993	9,957,066
Profit / return payable in foreign currency		122,724	47,730
Unearned commission and income on bills discounted		2,111,180	1,856,701
Accrued expenses		6,761,754	8,485,056
Acceptances	14	26,907,577	24,059,259
Dividend payable		655,733	464,961
Unclaimed dividends		4,400	4,400
Mark to market loss on forward foreign exchange contracts		273,274	945,503
Credit loss allowance against off-balance sheet obligations	20.1	155,726	190,382
Charity fund payable	20.3	104,302	27,926
Withholding tax payable		302,879	220,833
Federal excise duty payable		185,340	218,306
Payable to brokers against purchase of shares		405,447	105,647
Fair value of derivative contracts		297,692	982,880
Payable related to cards and other products		206,843	65,500
Funds held as security		403,931	361,711
Takaful payable		4,532	11,176
Clearing and settlement accounts		5,678,020	12,866,371
Payable to defined benefit plan		-	105,922
Others		1,250,251	1,400,779
		<u>53,717,598</u>	<u>62,378,109</u>
20.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		190,382	126,297
Impact of adopting IFRS 9 as at January 1		-	82,603
Restated balance as at January 1		190,382	208,900
Charge for the year		34,491	15,360
Reversals during the year		(66,250)	-
	33	(31,759)	15,360
Transfer		(2,897)	(33,878)
Closing balance		<u>155,726</u>	<u>190,382</u>

20.2 Particulars of credit loss allowance held against off-balance sheet obligations

	2025		2024	
	Exposure	ECL	Exposure	ECL
-----Rupees '000-----				
Stage 1	222,073,385	45,372	32,093,097	7,324
Stage 2	27,414,910	23,210	116,323,161	31,545
Stage 3	233,273	87,144	322,455	151,513
	<u>249,721,568</u>	<u>155,726</u>	<u>148,738,713</u>	<u>190,382</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

20.3 Charity fund balance	Note	2025	2024
		-----Rupees '000-----	
Opening balance		208,624	279,974
Additions during the year			
Received from customers on account of delayed payment		223,599	177,933
Profit from residual (ring-fenced) Non-Shari'ah compliant portfolio	20	87,927	11,409
Non-Shari'ah compliant income on account of:			
i) Dividend Purification amount	20	16,375	16,517
ii) Shari'ah non-compliant transactions		4,161	2,405
Profit on charity saving account		9,542	15,686
		341,604	223,950
Payments / utilisation during the year			
Education		138,909	106,800
Health		115,000	143,000
Social work		60,500	45,500
		314,409	295,300
Closing balance		235,819	208,624

20.3.1 The balance in Charity's savings account is Rs. 131.517 million (2024: Rs. 180.698 million).

20.3.2 Charity paid through savings account during the year is Rs. 314.409 million (2024: Rs. 295.300 million). Charity of Rs. 500,000 or higher was paid to the following organisations;

	2025	2024
	-----Rupees '000-----	
Lahore University of Management Sciences (LUMS)	39,636	30,000
Habib University	35,000	30,000
Indus Hospital & Health Network	35,000	25,000
The Kidney Centre	20,000	-
Institute of Management Sciences	19,073	-
The Citizens Foundation	10,000	30,000
Patients' Behbud Society for AKUH	10,000	10,000
Karachi Relief Fund	10,000	10,000
Karachi Down Syndrome Program (KDSP)	10,000	5,000
Developments in Literacy	10,000	-
Momina & Duraid Foundation	10,000	-
National Institute of Child Health (NICH)	10,000	-
One Nation Foundation	10,000	-
Network of Organizations Working For People With Disabilities Pakistan (NOWPDP)	9,000	-
Saylani Welfare Trust	8,500	500
Pink Ribbon	8,000	-
Jetpur Memon Association	8,000	-
Special Olympics	8,000	-
Path Educational Society (Rehnuma Schools)	5,200	5,000
Alkhidmat Foundation	5,000	5,000
Jamiat Taleem ul Quran	5,000	4,000
Professional Education Foundation	5,000	-
Molana Tariq Jamil Foundation	5,000	-
Saleem Memorial Hospital	5,000	-
Bait ul Sukoon Trust	5,000	-
The Layton R. Benevolent Trust (LRBT)	3,000	5,000
Charity Right	2,000	-
Behbud Association	2,000	-
Dawood Global Foundation	2,000	-
Akhuwat Foundation	-	30,000
Lahore Businessmen Association for Rehabilitation of the Disabled (LABARD)	-	30,000
Pakistan Children's Heart Foundation	-	25,000
Patients' Aid Foundation	-	23,000
Afzaal Memorial Thalassemia Foundation (AMTF)	-	20,000
Karachi Vocational Training Centre	-	7,800
	314,409	295,300

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

21 SHARE CAPITAL

21.1 Authorised capital

2025	2024		2025	2024
----- Number of shares -----			-----Rupees '000-----	
<u>2,200,000,000</u>	<u>2,200,000,000</u>	Ordinary shares of Rs.10 each	<u>22,000,000</u>	<u>22,000,000</u>

21.2 Issued, subscribed and paid up capital

2025	2024		2025	2024
----- Number of shares -----			-----Rupees '000-----	
		Ordinary shares		
201,451,420	201,451,420	Fully paid in cash	2,014,514	2,014,514
1,298,772,879	1,298,772,879	Issued as bonus shares	12,987,729	12,987,729
17,472,226	17,472,226	Issued for consideration other than cash	174,722	174,722
<u>1,517,696,525</u>	<u>1,517,696,525</u>		<u>15,176,965</u>	<u>15,176,965</u>

21.2.1 As at December 31, 2025, Ithmaar Bank B.S.C. (closed) (the parent company of the Bank) directly and indirectly holds 1,013,473,709 ordinary shares of Rs. 10 each (2024: 1,013,473,709 ordinary shares).

22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

	Note	2025	2024
		-----Rupees '000-----	
Surplus on revaluation of:			
Securities measured at FVOCI - Debt	9.1	6,607,266	22,204,489
Securities measured at FVOCI - Equity		4,303,829	1,770,451
Property and equipment	22.1	13,919,446	11,909,691
Non-banking assets acquired in satisfaction of claims	22.2	921,260	1,734,105
		<u>25,751,801</u>	<u>37,618,736</u>
Deferred tax on surplus on revaluation of:			
Securities measured at FVOCI - Debt		(3,435,778)	(11,768,379)
Securities measured at FVOCI - Equity		(2,237,991)	(938,339)
Property and equipment	22.1	(2,913,674)	(2,123,177)
Non-banking assets acquired in satisfaction of claims	22.2	-	(16,958)
		<u>(8,587,443)</u>	<u>(14,846,853)</u>
		<u>17,164,358</u>	<u>22,771,883</u>

22.1 Surplus on revaluation of property and equipment

Surplus on revaluation of property and equipment as at January 1		11,909,691	12,196,725
Derecognised during the year		2,186,616	(19,746)
Transferred from surplus on revaluation of non-banking assets	22.2	31,997	1,067
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(208,858)	(268,355)
Surplus on revaluation of fixed assets as at December 31		<u>13,919,446</u>	<u>11,909,691</u>
Less: related deferred tax liability on:			
- revaluation as at January 1		(2,123,177)	(2,093,908)
- revaluation recognised during the year		(922,525)	-
- impact of change in rate of tax		40,060	(170,921)
- transferred from surplus on revaluation of non-banking assets		(16,638)	(576)
- incremental depreciation charged during the year		108,606	142,228
		<u>(2,913,674)</u>	<u>(2,123,177)</u>
		<u>11,005,772</u>	<u>9,786,514</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
Surplus on revaluation as at January 1		1,734,105	1,735,172
Recognised during the year	14.1.1	52,500	-
Surplus de-recognised during the year	14.1.1	(359,675)	(1,067)
Surplus realised on disposal during the year		(473,673)	-
Transferred to surplus on revaluation of property and equipment	22.1	(31,997)	-
Surplus on revaluation as at December 31		921,260	1,734,105
Less: related deferred tax liability on:			
- revaluation as at January 1		(16,958)	(16,201)
- Transferred to surplus on revaluation of property and equipment		16,638	523
- impact of change in rate of tax		320	(1,280)
- revaluation recognised during the year		-	-
		-	(16,958)
		921,260	1,717,147

22.3 Securities which will not be recycled to consolidated statement of profit and loss account are disclosed in note 9.

	Note	2025	2024
-----Rupees '000-----			
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	78,590,456	52,565,820
Commitments	23.2	352,745,310	312,113,009
Other contingent liabilities	23.3.1	4,122,244	4,122,244
		435,458,010	368,801,073
23.1 Guarantees:			
Financial guarantees		4,766,281	4,266,928
Performance guarantees		14,670,201	13,608,155
Other guarantees		59,153,974	34,690,737
		78,590,456	52,565,820
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		170,552,285	95,392,494
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	75,790,108	80,620,255
- forward government securities transactions	23.2.2	63,470,659	128,375,400
- derivatives - cross currency and swaps (notional principal)	23.2.3	337,312	964,082
- extending credit (irrevocable)	23.4	40,802,969	5,358,314
Commitments for acquisition of:			
- property and equipment		1,453,578	1,069,179
- intangible assets		338,399	333,285
		352,745,310	312,113,009

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		46,048,082	54,802,453
Sale		29,742,026	25,817,802
		<u>75,790,108</u>	<u>80,620,255</u>
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		63,470,659	128,375,400
		<u>63,470,659</u>	<u>128,375,400</u>
23.2.3 Commitments in respect of derivatives			
Sale	24.1	<u>337,312</u>	<u>964,082</u>
23.3 Other contingent liabilities			
23.3.1 Holding Company:			
Suit filed by a customer for recovery of alleged losses suffered which is pending in the Honourable High Court of Sindh. The Bank's legal advisors are confident that the Bank has a strong case		2,510,000	2,510,000
Indemnity issued favouring the Honorable High Court in one of the cases		457,543	457,543
Tax liability of gain on bargain purchase on the acquisition of ex-RBS Pakistan	23.3.3	<u>1,154,701</u>	<u>1,154,701</u>
		<u>4,122,244</u>	<u>4,122,244</u>
23.3.2 Income tax assessments of the Holding Company have been finalised upto the tax year 2025 (accounting year ended December 31, 2024).			
23.3.3 The department and the Holding Company has disagreement on a matter relating to taxability of gain on bargain purchase on the acquisition of ex-RBS Pakistan. The additional tax liability on the matter amounts to Rs. 1,154.701 million (December 31, 2024: Rs. 1,154.701 million). The Commissioner Inland Revenue (Appeals) [(CIR(A)] had deleted the said additional tax liability, however the income tax department had filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A). During the tax year 2011 the ATIR passed an order and maintained the decision of the CIR(A) in favour of the Holding Company that gain on bargain purchase is not taxable. Subsequently, the department has challenged the order in Honourable High Court of Sindh. However, the management of the Holding Company is confident that the matter will be decided in the Holding Company's favour and accordingly, no provision has been recorded in these consolidated financial statements in respect of this matter.			
23.3.4 There are certain claims against the Holding Company not acknowledged as debt amounting to Rs 39,672 million (December 31, 2024: Rs 32,754 million). These mainly represent counter claims filed by the borrowers for restricting the Holding Company from disposal of assets (such as mortgaged / pledged assets kept as security), cases where the Holding Company was proforma defendant for defending its interest in the underlying collateral kept by it at the time of financing, certain cases filed by ex-employees of the Holding Company for damages sustained by them consequent to the termination from the Holding Company's employment and cases for damages towards opportunity losses suffered by the customers due to non-disbursements of running finance facility as per the agreed terms. The above also includes an amount of Rs 25,299 million (December 31, 2024: 25,299 million) in respect of a suit filed against the Holding Company for declaration, recovery of monies, release of securities, rendition of account and damages.			

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Based on legal advice and / or internal assessments, the management is confident that the above matters will be decided in the Holding Company's favour and accordingly no provision has been made in these consolidated financial statements.

23.3.5 Faysal Asset Management Limited

23.3.6 The income tax returns of the FAML for the tax years 2004 to 2022 (financial year ended June 30, 2004 to December 31, 2021) have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001, unless selected by the taxation authorities for audit purposes. The tax year 2005 (financial year ended June 30, 2005) had been selected by the taxation authorities for audit purpose. The tax authorities passed an order under section 221 of the Income Tax Ordinance, 2001, whereby they determined an additional liability of Rs. 912,711 for the tax year 2005 on account of apportionment of expenses and disallowance of certain expenses. The FAML paid Rs. 414,360 out of total determined liability and filed an appeal against the order before the Commissioner Appeals, the proceedings of which are underway. The remaining tax liability on these matters is Rs. 498,351. The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.3.7 The income tax department has issued orders and show cause notices under section 221 of the Income Tax Ordinance, 2001 for recovery of Workers Welfare Fund (WWF) aggregating to Rs 0.818 million in respect of tax years 2008 and 2013. The details of orders and show cause along with the management actions are listed below:

Tax years	Order / show cause references	Status	WWF demand
			Rupees '000
2008	Order u/s 221 dated June 30, 2014	Appeal pending before the Commissioner Appeals	315
2013	Show cause u/s 221 dated May 7, 2014	Showcause notice has been responded to	503
			818

The management is of the view that WWF was not applicable for tax year 2008. In tax year 2013, subsequent to clarification decision by the SHC, the management has not admitted WWF charge in the annual return of income. The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.3.8 The Punjab Revenue Authority issued show cause notice No.PRA/AM/61/2205/ dated March 12, 2014 to Faysal Asset Management Limited requiring the FAML to obtain registration / enrolment and to pay sales tax amounting to Rs. 6,055,110 from July 2013 to March 2014 under the Punjab Sales Tax on Services Act, 2012 with effect from May 22, 2013 on management fee earned in Punjab.

In respect of this, the FAML, jointly with other Asset Management Companies together with their respective collective investment schemes through their trustees, has filed a petition on July 8, 2014 in the SHC challenging the above notice. The Court has ordered suspension of the show cause notice till the next hearing of appeal in their order dated July 10, 2014. The next date of hearing has not yet been decided. The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

23.3.9 During the year ended December 31, 2020, the audit of the tax year 2013 (financial tax year ended June 30, 2013) was completed by the taxation authorities. The tax authorities have passed an order under section 122(5A) of the Income Tax Ordinance, 2001, whereby they have determined an additional liability of Rs. 4,964,364 for the tax year 2013 on account of apportionment of expenses, salary expenses and hardware and software expense. The management filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on the grounds of disallowances made by the Additional Commissioner Inland Revenue. The CIR(A) remanded back a few expenses while ordered against various other expenses for which the FAML has decided to appeal before the Appellate Tribunal Inland Revenue (ATIR). The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.3.10 During the year ended December 31, 2020, the audit of the tax year 2014 (financial tax year ended June 30, 2014) was completed by the taxation authorities. The tax authorities have passed an order under section 122(5A) of the Income Tax Ordinance, 2001, whereby they have determined an additional liability of Rs. 2,672,863 for the tax year 2014 on account of apportionment of expenses, time barred payables, expenses claimed on provisional basis, salary expenses, marketing and advertising expenses, brokerage and commission expenses, legal and professional charges and hardware and software expenses. The management had decided to file an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on the grounds of disallowances made by the Additional Commissioner Inland Revenue. During the year ended December 31, 2021 the CIR(A) issued an order whereby the earlier order passed by the tax authorities under section 122(5A) of the Income Tax Ordinance, 2001, was annulled on the basis of being time barred, and consequentially the demand for additional liability was relinquished. The management decided to file an appeal before the Appellate Tribunal Inland Revenue (ATIR) to contest the order passed by DCIR. The management of the FAML is confident that the decision in respect of these matters will be decided in the FAML's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.

23.4 Commitments to extend credits

The Bank makes commitments to extend credit (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn except for Rs. 40,803 million (2024: Rs. 5,358 million) which are irrevocable in nature.

24 DERIVATIVE INSTRUMENTS

Cross currency swaps (notional principal)

	2025	2024
	-----Rupees '000-----	
	337,312	964,082

Derivative instruments, such as forward rate agreements, cross currency swaps and FX options, are forward transactions that provide market making opportunities / hedge against the adverse movement of exchange rates. Derivatives business provides risk solutions for the existing and potential customers of the Holding Company. All derivative transactions are governed by The Financial Derivatives Business Regulations (FDBR) issued by the SBP.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

24.1 Product analysis

Counterparties	2025	
	Cross currency swaps	
	Notional principal	Mark to market Gain / (loss)
----- Rupees '000-----		
With banks for		
Hedging	-	-
Market making	23,837	16,672
With other entities for		
Hedging	-	-
Market making	313,475	(314,364)
Total		
Hedging	-	-
Market making	337,312	(297,692)
Counterparties	2024	
	Cross currency swaps	
	Notional principal	Mark to market loss
----- Rupees '000-----		
With banks for		
Hedging	-	-
Market making	140,136	(171,412)
With other entities for		
Hedging	-	-
Market making	823,946	(811,468)
Total		
Hedging	-	-
Market making	-	-
	964,082	(982,880)

24.2 Maturity analysis

Remaining maturity	2025				
	No. of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			Rupees '000		
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	4	337,312	(1,289,623)	991,931	(297,692)
1 to 2 years	-	-	-	-	-
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total		337,312	(1,289,623)	991,931	(297,692)

Remaining maturity	2024				
	No. of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			Rupees '000		
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	-	-	-	-	-
1 to 2 years	6	391,527	(915,782)	529,376	(386,406)
2 to 3 years	4	572,555	(2,480,077)	1,883,603	(596,474)
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total		964,082	(3,395,859)	2,412,979	(982,880)

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

24.3 Risk management policies related to derivatives are discussed in note 47.6 to these consolidated financial statements.

	Note	2025	2024
		-----Rupees '000-----	
25 PROFIT / RETURN EARNED			
On:			
Financing	25.1	83,086,631	102,495,460
Investments		82,744,724	122,097,081
Due from financial institutions		160,311	561,004
Balances with banks		80	2,870
		<u>165,991,746</u>	<u>225,156,415</u>

25.1 This includes Rs 1,905.413 million (2024: Rs 1,864.174 million) and Rs. 485.436 million (2024: Rs 628.644 million) related to unwinding of Temporary Economic Refinance Facility and staff financing, respectively.

	Note	2025	2024
		-----Rupees '000-----	
25.2 Profit / return recognised on:			
Financial assets measured at amortised cost;		6,555,109	6,517,922
Financial assets measured at FVOCI.		81,734,013	120,062,212
Financial assets measured at Cost		77,565,959	98,201,152
Financial assets measured at FVPL		136,665	375,129
		<u>165,991,746</u>	<u>225,156,415</u>

26 PROFIT / RETURN EXPENSED

On:			
Deposits		63,540,836	110,353,052
Due to financial institutions	26.1	27,371,310	26,298,901
Lease liability against right-of-use assets		2,161,547	1,862,095
Cost of foreign currency swaps against foreign currency deposits / dues		3,223,300	6,083,077
		<u>96,296,993</u>	<u>144,597,125</u>

26.1 This includes Rs. 2,004.592 million (2024: Rs 1,884.106 million) related to unwinding of Temporary Economic Refinance Facility.

	2025	2024
	-----Rupees '000-----	

27 FEE AND COMMISSION INCOME

Branch banking customer fees	1,687,963	1,316,347
Consumer finance related fees	804,554	600,820
Card related fees	6,447,715	4,512,976
Credit related fees	52,366	62,636
Investment banking fees	400,456	185,988
Commission on trade	1,379,558	1,135,035
Commission on guarantees	200,598	160,538
Commission on cash management	179,068	159,288
Commission on remittances including home remittances	1,033,437	1,565,107
Commission on bancatakaful	126,731	109,302
Management fee on fund under management	2,997,051	2,506,313
Sales load on sales fund under management	334,798	405,225
Others	120,640	98,720
	<u>15,764,935</u>	<u>12,818,295</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
28 GAIN ON SECURITIES			
Realised:			
Federal Government securities		8,063,122	427,828
Shares		93,941	613,876
Other		9,611	-
		<u>8,166,674</u>	<u>1,041,704</u>
28.1 Net gain / (loss) on financial assets / liabilities			
Net gain / (loss) on financial assets / liabilities measured at FVPL:			
Designated upon initial recognition		-	-
Mandatorily measured at FVPL		22,737	650,332
		<u>22,737</u>	<u>650,332</u>
Net gain / (loss) on financial assets / liabilities measured at amortised cost		-	-
Net gain / (loss) on financial assets measured at FVOCI		8,134,326	391,372
Net gain / (loss) on investments in equity instruments designated at FVOCI		-	-
		<u>8,134,326</u>	<u>391,372</u>
Net gain on investments in others		9,611	-
		<u>8,166,674</u>	<u>1,041,704</u>
29 NET GAIN / (LOSS) ON FINANCIAL ASSETS / LIABILITIES MEASURED AT AMORTISED COST			
Loss on derecognition of financial assets measured at amortised cost	14.4	<u>(330,503)</u>	<u>(165,256)</u>
30 OTHER INCOME			
Rent on property		60,820	210,624
Gain on disposal of property and equipment- net		75,608	40,632
Gain on disposal of non-banking assets		75,000	-
Gain on termination of leases (IFRS 16)		21,289	65,819
Staff cost recoveries		25,417	8,868
Scrap income		5,648	8,914
Amortization of Government grant		99,179	19,932
Others		2,356	3,487
		<u>365,317</u>	<u>358,276</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
31 OPERATING EXPENSES			
Total compensation expense	31.2	20,726,469	19,906,893
Property expense			
Rent and taxes		620,386	410,105
Takaful		55,027	52,709
Utilities cost		2,003,153	2,058,616
Security (including guards)		1,778,989	1,386,432
Repair and maintenance (including janitorial charges)		1,339,521	1,066,773
Depreciation on owned property and equipment	11.2	1,370,588	1,074,337
Depreciation on non-banking assets	14.1.1	1,184	2,562
Depreciation on right-of-use assets	12	2,523,345	2,115,753
Others		468,671	384,196
		10,160,864	8,551,483
Information technology expenses			
Software maintenance		2,886,280	2,309,821
Hardware maintenance		493,917	417,803
Depreciation	11.2	1,522,935	1,025,206
Amortisation	13.2	591,456	449,963
Network charges		458,143	367,647
		5,952,731	4,570,440
Other operating expenses			
Directors' fees and allowances	41.1	141,600	139,680
Legal and professional charges		779,254	815,982
Outsourced services costs - staff	37.1	1,296,089	1,046,532
Travelling and conveyance		1,211,407	503,453
NIFT clearing charges		146,356	106,441
Depreciation	11.2	2,211,975	1,214,756
Training and development		230,235	283,666
Postage and courier charges		210,823	234,789
Communication		1,589,029	1,624,217
Marketing, advertisement and publicity		3,426,224	2,726,853
Donations	31.3	139,275	148,930
Auditors' remuneration	31.4	66,050	50,080
Takaful		1,062,171	881,666
Stationery and printing		859,529	1,086,227
Bank fees and charges		3,958,492	3,295,400
Brokerage and commission		542,504	286,710
Deposit protection premium		1,005,351	835,758
Repair and maintenance		692,241	482,501
Subscriptions and publications		196,509	201,872
Cash handling charges		783,514	634,208
Others		520,430	586,059
		21,069,058	17,185,780
		57,909,122	50,214,596

31.1 Total cost for the year included in other operating expenses relating to outsourced activities other than ancillary services cost is Rs. 520.105 million (2024: Rs. 678.790 million). Out of this cost, Rs. 223.901 million (2024: Rs. 293.782 million) pertains to the payment to companies incorporated in Pakistan and Rs. 296.204 million (2024: Rs. 385.008 million) pertains to payment to companies incorporated outside Pakistan. This includes payments other than outsourced services costs, which are disclosed above. Total cost of outsourced activities for the year given to related parties is Rs. Nil (2024: Rs. Nil). Outsourcing shall have the same meaning as specified in Annexure-I of BPRD Circular No. 06 of 2017.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

S. No.	Name of outsourced agency	Nature of service	Estimated cost (Rupees '000)
1	Euronet Pakistan Private Limited	Credit cards, debit cards, prepaid cards and ATMs switch system host	296,204
2	Archiving And Data Solutions Private Limited	Warehousing and scanning services	223,901
			<u>520,105</u>

	Note	2025	2024
		-----Rupees '000-----	

31.2 Total compensation expense

Managerial Remuneration			
i) Fixed		9,247,134	7,713,197
ii) Variable			
of which :			
a) Cash bonus / awards, etc.		2,356,144	2,864,329
b) Commission incentives		1,602,646	1,714,309
Charge for defined benefit plan		547,212	369,112
Contribution to defined contribution plan		631,405	503,929
Rent and house maintenance		2,893,941	2,378,016
Utilities		567,619	474,131
Medical		690,500	566,378
Takaful		627,251	571,737
Conveyance		784,741	1,815,935
Amortization of staff financing		485,436	628,644
Others		281,878	307,176
Sub-total		<u>20,715,907</u>	<u>19,906,893</u>
Severance Allowance (number of staff : 1)		10,562	-
Grand Total		<u>20,726,469</u>	<u>19,906,893</u>

31.3 Donations made during the year were as follows:

Donees

Waqf Faisal (Trust)	31.3.1	139,275	130,430
Sharmeen Khan Memorial Foundation		-	7,000
Kutiyana Memon Association		-	5,000
Patient's Aids Foundation		-	4,000
The Hunar Foundation		-	1,500
Karachi Down Sydrome Program-KDSP		-	1,000
Total		<u>139,275</u>	<u>148,930</u>

31.3.1 The President and Chief Executive Officer of the Holding Company is acting as trustee of Waqf Faisal (Trust). No other interest of any of the directors or their spouses exists.

	2025	2024
	-----Rupees '000-----	

31.4 Auditors' remuneration

Statutory audit fee	12,462	11,314
Fee for the consolidated financial statements	3,276	2,883
Fee for other statutory certifications	18,365	12,154
Fee for the quarterly and the annual group reportings	15,397	13,883
Fee for the review of the half yearly financial statements	2,834	2,465
Fee for the audit of employee funds	173	152
Special certifications and sundry advisory services	5,460	2,959
Out-of-pocket expenses	8,083	4,270
	<u>66,050</u>	<u>50,080</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		-----Rupees '000-----	
32 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		81,521	97,238
33 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Reversal of Credit loss allowance against cash and balances with treasury banks		(35)	(3,553)
Credit loss allowance against balances with other banks		39	3
Reversal of Credit loss allowance against investments	9.4.1	(1,065,061)	(187,005)
Reversal of Credit loss allowance against islamic financing and related assets	10.5	(3,540,766)	(2,035,526)
Credit loss allowance against other assets	14.3.1	119,135	(3,002)
(Reversal) / Credit loss allowance against off balance sheet obligations	20.1	(31,759)	15,360
Bad debts written off directly	10.9.1	9,014	21,205
Recoveries of written off / charged off bad debts		(369,367)	(270,154)
		<u>(4,878,800)</u>	<u>(2,462,672)</u>
34 TAXATION			
Current		25,189,554	26,176,243
Prior years		2,265,983	15,076
Deferred	19	(1,655,649)	1,668,221
		<u>25,799,888</u>	<u>27,859,540</u>
34.1	Pursuant to an amendment introduce vide Finance Act, 2025, Rule 1 of the Seventh Schedule of Income Tax Ordinance, 2001, the Bank has recognised the prior year income tax charge of Rs. 2,263.358 million along with the corresponding deferred tax asset of Rs. 2,179.530 , resulting in a net impact of Rs. 83.828 million. This adjustment arises from the disallowance of depreciation on right-of-use assets and related finance cost under IFRS 16 - Leases and the consequent allowability of actual rent expense incurred in the respective tax years.		
		2025	2024
		-----Rupees '000-----	
34.2 Relationship between tax expense and accounting profit			
Profit before tax		48,269,193	51,751,272
Tax calculated at the rate of 53% (2024: 54%)		25,477,553	27,952,494
Effect of:			
- Tax effect of Permanent differences		302,191	195,021
- Tax effect of income taxed under lower tax rates		(43,470)	(35,148)
- Adjustment in respect of income subject to final tax		5,939	(10,552)
- Others		57,675	(242,275)
Tax charge for the year		<u>25,799,888</u>	<u>27,859,540</u>
35 BASIC / DILUTED EARNINGS PER SHARE			
Profit for the year attributable to the equity holders of the Holding Company		22,469,216	23,891,649
		Number of shares in thousands	
Weighted average number of ordinary shares		1,517,697	1,517,697
		----- Rupees -----	
Basic / diluted earnings per share		14.80	15.74
35.1	There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2025 and December 31, 2024.		

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
36 CASH AND CASH EQUIVALENTS		-----Rupees '000-----	
Cash and balance with treasury banks	7	103,998,902	102,600,657
Balance with other banks	8	6,732,747	5,539,562
		<u>110,731,649</u>	<u>108,140,219</u>

	2025	2024
37 STAFF STRENGTH	----- Number of employees -----	
Permanent	10,374	9,980
On Group's contract	41	43
Group's own staff strength at the end of the year	<u>10,415</u>	<u>10,023</u>

37.1 In addition to the above, 1,567 (2024: 1,466) employees of outsourcing services companies were assigned to the Group as at the end of the year to perform services other than guarding and janitorial services.

38 DEFINED BENEFIT PLAN

38.1 The Holding Company

38.1.1 General description

The Bank operates an approved funded gratuity scheme for all its permanent employees and employees who are on contractual service in non-management cadre. The benefits under the gratuity schemes are payable on retirement at the age of 60 years or earlier cessation of service in lumpsum. The benefits are equal to one month's last drawn basic salary for each year of eligible service or part thereof. The minimum qualifying eligible service for gratuity is 1 year for employees who became members of the Funds before November 12, 2002. In the case of other members of the Funds the minimum qualifying eligible service is 5 years. The minimum qualifying eligible service for contractual employees not employed under the management cadre is 6 months. The latest actuarial valuation of the Bank's defined benefit plan, based on the Projected Unit Credit Actuarial Cost Method, was carried out as at December 31, 2025.

The balance of conventional sub-funds has been transferred to islamic sub-fund.

	2025	2024
38.1.2 Number of employees under the scheme	Number of employees	

The number of employees covered under the following defined benefit scheme are:

- Gratuity fund	<u>10,117</u>	<u>9,824</u>

38.1.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2025 using the following significant assumptions:

	2025	2024
	----- % per annum -----	
Discount rate	11.00	12.25
Expected rate of salary increase	10.00	13.25

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
-----Rupees '000-----			
38.1.4 Reconciliation of payable to defined benefit plan			
Present value of obligations	38.1.5	2,996,879	2,550,507
Fair value of plan assets	38.1.6	(3,196,601)	(2,455,980)
		<u>(199,722)</u>	<u>94,527</u>
38.1.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		2,550,507	1,869,596
Current service cost		511,839	366,877
Return expense		330,326	314,782
Benefits paid by the Bank		(218,258)	(174,058)
Re-measurement loss / (gain)		(177,535)	173,310
Obligations at the end of the year		<u>2,996,879</u>	<u>2,550,507</u>
38.1.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		(2,455,980)	(1,960,402)
Return income on plan assets		(319,396)	(328,272)
Contribution by the Bank - net		(619,508)	(264,793)
Benefits paid by the Bank		218,258	174,058
Re-measurement loss / (gain) :			
Net return on plan assets excluding amounts included in return income	38.1.8.2	(19,975)	(76,571)
Fair value at the end of the year		<u>(3,196,601)</u>	<u>(2,455,980)</u>
38.1.7 Movement in payable / (receivable) under defined benefit scheme			
Opening balance		94,527	(90,806)
Charge for the year		522,769	353,387
Contribution by the Bank - net		(619,508)	(264,793)
Re-measurement (gain) / loss recognised in OCI during the year	38.1.8.2	(197,510)	96,739
Closing balance		<u>(199,722)</u>	<u>94,527</u>
38.1.8 Charge for defined benefit plans			
38.1.8.1 Cost recognised in profit and loss			
Current service cost		511,839	366,877
Net return expensed on defined benefit asset / liability		10,930	(13,490)
		<u>522,769</u>	<u>353,387</u>
38.1.8.2 Re-measurements recognised in OCI during the year			
(Gain) / loss on obligation			
- demographic assumptions		-	-
- financial assumptions		(46,464)	179,264
- experience adjustment		(131,071)	(5,954)
Return on plan assets over profit income		(19,975)	(76,571)
Total re-measurements recognised in OCI		<u>(197,510)</u>	<u>96,739</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

38.1.8.3 Components of plan assets

Cash and cash equivalents - net
Ijarah sukuks

2025	2024
-----Rupees '000-----	
128,819	125,095
3,067,782	2,330,885
<u>3,196,601</u>	<u>2,455,980</u>

The funds are invested in GOP Ijara Sukuks and accordingly do not carry any credit risk. These are subject to profit rate risk. Cash and cash equivalents includes balances maintained with the Bank which are subject to credit risk.

38.2 Historical information

	2025	2024	2023	2022	2021
-----Rupees '000-----					
Present value of defined benefit obligation	(2,996,879)	(2,550,507)	(1,869,596)	(1,418,129)	(1,189,884)
Fair value of plan assets	3,196,601	2,455,980	1,960,402	1,586,954	1,317,669
Surplus / (deficit)	<u>199,722</u>	<u>(94,527)</u>	<u>90,806</u>	<u>168,825</u>	<u>127,785</u>
Remeasurement of plan liabilities	<u>(177,535)</u>	<u>173,310</u>	<u>36,402</u>	<u>(49,967)</u>	<u>105,490</u>
Remeasurement of plan assets	<u>19,975</u>	<u>76,571</u>	<u>124,996</u>	<u>685</u>	<u>(41,910)</u>

38.3 Sensitivity analysis

The analysis based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption should be summarised as illustrated below:

	2025	2024
-----Rupees '000-----		
1% increase in discount rate	(229,101)	(193,444)
1% decrease in discount rate	263,714	222,389
1% increase in expected rate of salary increase	244,270	224,308
1% decrease in expected rate of salary increase	(216,661)	(198,665)
1 year increase in expected life / withdrawal rate	(70,294)	(59,824)
1 year decrease in expected life / withdrawal rate	62,833	53,475

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

38.4 Expected maturity analysis of undiscounted obligation

Less than a year
Between 1-2 years
Between 2-5 years
Over 5 years
Total

2025	2024
-----Rupees '000-----	
209,045	211,093
869,934	614,498
1,884,275	1,695,662
57,702,483	65,934,673
60,665,737	68,455,926

38.5 Expected contributions to be paid to the scheme in the next financial year

558,063

38.6 Expected charge for the next financial year

558,063

38.7 Maturity profile

The weighted average duration of the defined benefit obligation is 8.18 years.

38.8 Funding policy

The policy followed by the Bank in respect of the staff retirement benefit schemes is disclosed in note 6.14 of these consolidated financial statements.

38.9 The gratuity scheme exposes the Bank to the following risks:

Asset volatility

The Defined Benefit Gratuity Islamic Fund is invested in Ijarah Sukuk. The investment is almost 95.97% (3,068 million) for Ijarah Sukuk. Islamic Fund have not such investment in any Government Bonds, equity or Corporate Bonds hence the asset volatility risk is lower.

Changes in bond yields

There are two dimensions to the changes in Bond yields: first, as described above; second, the valuation of the Gratuity Liability is discounted with reference to these bond yields. So any increase in Bond yields will lower the Gratuity Liability and vice versa, but, it will also lower the Asset values.

Inflation risk

The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall affect, increases the net liability of the Bank.

Life expectancy / withdrawal rate

The Gratuity is paid off at the maximum of age 60. The Life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the Gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post- retirement benefit been given by the Bank like monthly pension, post-retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models.

The withdrawal risk is dependent upon the: benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Other risks

Though, not imminent and observable, over long term there are some risks that may crystallize. This includes:

- Retention risk – The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.
- Final Salary Risk – The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.
- Model Risk – The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the Gratuity Fund are also marked to market. This two-tier valuation gives rise to the model risk.
- Operational Risk related to a separate entity - Retirement benefits are funded through a separate trust fund which is a different legal entity than the Bank. Generally, the protocols, processes and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit Funds. This gives rise to some specific operational risks.
- Compliance Risk – The risk that retirement benefits offered by the Bank does not comply with minimum statutory requirements.
- Legal/Political Risk – The risk that the legal/political environment changes and the Bank is required to offer additional or different retirement benefits than what the Bank projected.

39 DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS OF SUBSIDIARY

39.1 Faysal Asset Management Limited

39.1.1 DEFINED BENEFIT PLAN

FAML operates an approved funded defined benefit gratuity scheme for all its permanent employees. The gratuity fund is governed under the Trusts Act, 1882, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund. The latest actuarial valuation of the fund was carried out at December 31, 2025.

The gratuity scheme exposes the entity to the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age, distribution and the benefit.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plan in consultation with investment advisors of the Fund.

Risk of insufficiency of assets

This is managed by making regular contribution to the Fund as advised by the actuary.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Notes to the Consolidated Financial Statements

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Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

	2025	2024
39.1.2 Principal actuarial assumptions		
(a) Discount factor used (% per annum)	11.00%	12.25%
(b) Expected rate of salary increase (% per annum)	13.00%	12.25%
(c) Normal retirement age (years)	60	60

39.1.3 The amount recognised in the statement of financial position are determined as follows:

Note	2025	2024
	-----Rupees '000-----	
Present value of defined benefit obligation	114,907	75,046
Fair value of plan assets	(83,556)	(63,651)
39.1.5	<u>31,351</u>	<u>11,395</u>

39.1.4 Plan assets consist of the following:

Investments in mutual funds	78,805	13,984
Balances with banks	4,751	49,667
	<u>83,556</u>	<u>63,651</u>

39.1.5 The movement in the net defined benefit obligation over the year / period is as follows:

	2025		
	Defined benefit obligation	Fair value of plan assets	Total
	----- Rupees '000 -----		
At January 1	75,047	(63,652)	11,395
Current service cost	23,047	-	23,047
Profit expense / (income)	10,088	(8,693)	1,395
	<u>108,182</u>	<u>(72,345)</u>	<u>35,837</u>
Remeasurements:			
- Return on plan assets, excluding amounts included in profit income	-	-	-
- Actuarial loss	27,950	1,188	29,138
	<u>27,950</u>	<u>1,188</u>	<u>29,138</u>
Contribution	-	(33,624)	(33,624)
Benefit payments	(21,224)	21,224	-
At December 31	<u>114,908</u>	<u>(83,557)</u>	<u>31,351</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	2024		
	Defined benefit obligation	Fair value of plan assets	Total
	----- Rupees '000-----		
At January 1	48,265	(47,003)	1,262
Current service cost	15,529	-	15,529
Profit expense / (income)	8,281	(8,085)	196
	72,075	(55,088)	16,987
Remeasurements:			
- Return on plan assets, excluding amounts included in profit income	-	-	-
- Actuarial loss	6,882	4,643	11,525
	6,882	4,643	11,525
Contribution	-	(17,117)	(17,117)
Benefit payments	(3,911)	3,911	-
At December 31	75,046	(63,651)	11,395

39.1.6 Analysis of present value of defined benefit obligation

	2025	2024
	-----Rupees '000-----	
Split by type of members		
(i) Active employees	114,908	75,046
Split by vested / non-vested		
(i) Vested benefits	110,957	71,212
(ii) Non-vested benefits	3,950	3,834
	114,907	75,046
Split by cadre of members		
(i) Management	114,907	75,046
Split by benefits earned to date		
(i) Present value of guaranteed benefits	50,984	35,210
(ii) Present value of benefits attributable to future increase in salary	63,923	39,836
	114,907	75,046

39.1.7 Cost recognised in profit and loss

Current service cost	23,047	15,529
Net profit cost	1,396	196
	24,443	15,725
Re-measurements recognised in OCI during the year		
Loss on obligation - experience adjustment	11,208	6,882
Return on plan assets over profit income	1,188	4,643
	12,396	11,525

39.1.8 The plan assets and defined benefit obligation are based in Pakistan.

39.1.9 Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables with one year age set back for male members and SLIC 2001 - 2005 mortality tables with four year age set back for female members.

Notes to the Consolidated Financial Statements

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39.1.10 The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:

	Impact on defined benefit obligation - increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption
----- Rupees '000 -----			
Discount rate	1%	(9,219,730)	10,743,174
Salary increase rate	1%	9,887,387	(8,672,232)

The above sensitivities analysis are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the gratuity liability recognised in the statement of financial position.

39.1.11 The weighted average duration of the defined benefit obligation is 8.64 years (2024: 8.10 years).

39.1.12 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

		Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years
		----- Rupees '000 -----			
At December 31, 2025		8,523	36,330	46,051	146,933
At December 31, 2024		7,996	10,165	34,048	121,527
	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Historical information					
Defined benefit obligation	114,907	75,046	48,265	41,215	26,540
Fair value of plan assets	(83,556)	(63,651)	(47,003)	(39,070)	(16,736)
Deficit / (surplus)	31,351	11,395	1,262	2,145	9,804
Remeasurements of plan liabilities	(27,950)	(6,882)	(5,992)	(3,090)	(3,585)
Remeasurements of plan assets	(1,188)	(4,643)	215	697	(1,085)

40 DEFINED CONTRIBUTION PLAN

The Group operates an approved funded contributory provident fund for all its permanent employees to which equal monthly contributions are made both by the Group and the employees at the rate of 10% of the basic salary. The financial statements of the fund are separately prepared and are not included as part of these consolidated financial statements.

	2025	2024
----- Rupees '000 -----		
Contribution from the Group	498,789	498,789
Contribution from the employees	498,789	498,789
	997,578	997,578

Notes to the Consolidated Financial Statements

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41 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL - HOLDING COMPANY

2025						
Particulars	Directors		Members Shari'ah Board	President & CEO	Key executives	Other material risk takers / Controllers
	Chairman	Non Executives				
----- Rupees '000-----						
Fees and allowances etc.	14,400	127,200	-	-	-	-
Managerial remuneration						
i) Fixed	-	-	31,628	113,213	267,530	399,864
ii) Total variable	-	-	16,953	216,000	447,000	533,215
of which :						
a) Cash bonus / awards - paid	-	-	13,328	162,000	336,950	426,572
b) Cash bonus / awards - deferred	-	-	3,625	54,000	110,050	106,643
c) Bonus and awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	1,819	8,516	13,973	25,196
Contribution to defined contribution plan	-	-	-	10,219	13,269	28,784
Rent & house maintenance	-	-	-	5,000	75,455	135,206
Utilities	-	-	-	1,838	1,289	5,374
Medical	-	-	-	3,418	16,767	30,235
Conveyance	-	-	-	-	12,224	5,281
Sign on bonus	-	-	-	-	-	-
Others	-	-	-	667	3,761	10,421
Total	14,400	127,200	50,400	358,871	851,268	1,173,576
Number of persons	1	9	6	1	16	62

2024						
Particulars	Directors		Members Shari'ah Board	President & CEO	Key executives	Other material risk takers / Controllers
	Chairman	Non Executives				
----- Rupees '000-----						
Fees and allowances etc.	12,480	127,200	-	-	-	-
Managerial remuneration						
i) Fixed	-	-	30,116	103,542	241,249	443,563
ii) Total variable	-	-	14,400	209,380	393,000	479,618
of which						
a) Cash bonus / awards - paid	-	-	11,080	157,035	294,750	385,394
b) Cash bonus / awards - deferred	-	-	3,320	52,345	98,250	94,224
c) Bonus and awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	1,850	7,998	12,826	25,378
Contribution to defined contribution plan	-	-	-	9,597	11,378	29,910
Rent & house maintenance	-	-	-	5,000	69,262	136,528
Utilities	-	-	-	1,769	1,281	5,911
Medical	-	-	-	807	15,391	30,453
Conveyance	-	-	4,497	-	42,042	110,814
Sign on bonus	-	-	-	-	-	-
Others	-	-	-	586	2,336	23,055
Total	12,480	127,200	50,863	338,679	788,765	1,285,230
Number of persons	1	9	6	1	15	75

41.1 The President & CEO and Key Executives are entitled to Holding Company's cars in accordance with the terms of the employment.

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41.1 Remuneration paid to directors for participation in board and committee meetings - Holding Company

S.No.	Name of director	Board meetings	2025							Total
			Meeting fees and allowances paid							
			Recruitment, Nomination & Remuneration Committee	Board Strategy Committee	Board Audit & Corporate Governance Committee	Board IT Committee	Board Risk Management Committee	Board Sustainability and Development Committee	Additional Fee to Chairman Committee	
Rupees '000										
1	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	4,000	4,800	4,800	3,200	-	-	-	960	17,760
2	Mr. Mian Muhammad Younis	4,800	-	5,600	-	-	-	1,600	2,400	14,400
3	Mr. Imtiaz Ahmad Pervez	4,800	-	5,600	-	-	3,200	-	640	14,240
4	Mr. Juma Hasan Ali Abul	4,000	4,800	4,800	3,200	-	-	-	-	16,800
5	Mr. Abdulelah Ebrahim Mohamed AlQasimi	4,000	-	-	-	4,000	3,200	800	-	12,000
6	Mr. Mohamed Ahmed Bucheerei*	1,600	-	-	-	1,600	1,600	-	-	4,800
7	Mr. Ali Munir	4,800	-	-	4,000	-	3,200	-	800	12,800
8	Ms. Fatima Asad	4,800	5,600	5,600	-	-	-	1,600	-	17,600
9	Mr. Mohsin Tariq	4,800	5,600	-	4,000	-	-	-	-	14,400
10	Ms. Sadia Khan	4,800	5,600	-	-	4,000	-	1,600	800	16,800
Total amount paid		42,400	26,400	26,400	14,400	9,600	11,200	5,600	5,600	141,600

*Mr. Mohamed Ahmed Bucheerei is appointed as director with effect from May 02, 2025.

S.No.	Name of director	Board meetings	2024							
			Meeting fees and allowances paid							
			Recruitment, Nomination & Remuneration Committee	Board Strategy Committee	Board Audit & Corporate Governance Committee	Board IT Committee	Board Risk Management Committee	Board Sustainability and Development Committee	Additional Fee to Chairman Committee	Total
Rupees '000										
1	Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	6,400	4,800	3,200	4,800	-	-	-	960	20,160
2	Mr. Mian Muhammad Younis	5,600	-	3,200	-	-	-	1,600	2,080	12,480
3	Mr. Imtiaz Ahmad Pervez	5,600	-	3,200	-	-	3,200	-	640	12,640
4	Mr. Juma Hasan Ali Abul	6,400	4,800	3,200	4,800	-	-	-	-	19,200
5	Mr. Abdulelah Ebrahim Mohamed AlQasimi	5,600	-	-	-	4,800	3,200	1,600	-	15,200
6	Mr. Abdulla Abdulaziz Ali Taleb *	2,400	-	-	-	1,600	800	-	-	4,800
7	Mr. Ali Munir	4,800	-	-	4,000	-	3,200	-	800	12,800
8	Ms. Fatima Asad	5,600	4,000	2,400	-	-	-	1,600	-	13,600
9	Mr. Mohsin Tariq	4,800	4,000	-	4,000	800	-	-	-	13,600
10	Ms. Sadia Khan	4,800	4,000	-	-	4,000	-	1,600	800	15,200
Total amount paid		52,000	21,600	15,200	17,600	11,200	10,400	6,400	5,280	139,680

* Mr. Abdulla Abdulaziz Ali Taleb ceased to be director with effect from April 2, 2024.

41.2 Remuneration paid to Shari'ah board members - Holding Company

Description	2025				2024			
	Chairman	Resident member	Non-resident member	Shari'ah board Member	Chairman	Resident member	Non-resident member	Shari'ah board Member
Rupees '000								
Fees and allowances etc.	-	-	-	-	-	-	-	-
Managerial remuneration								
i) Fixed	8,341	2,809	17,702	1,853	8,853	5,067	15,746	450
ii) Total variable	14,500	1,298	701	454	12,000	2,400	-	-
of which								
a) Cash bonus / awards - paid	10,875	1,298	701	454	9,000	2,080	-	-
b) Cash bonus / awards - deferred	3,625	-	-	-	3,000	320	-	-
Charge for defined benefit plan	695	136	896	92	695	334	799	22
Rent & house maintenance	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Medical	-	-	-	-	-	-	-	-
Conveyance	-	-	-	-	3,484	1,013	-	-
Others	923	-	-	-	-	-	-	-
Total	24,459	4,243	19,299	2,399	25,032	8,814	16,545	472
Number of persons	1	1	3	1	1	1	3	1

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42 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of income approach using Discounted Cashflow (DCF) method.

The fair value of unquoted debt securities, fixed term financing, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

42.1 Fair value of financial assets

The Group 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 asset 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:

On-balance sheet financial instruments

Financial assets - measured at fair value

Investments

Federal Government securities
Shares / Units of mutual funds
Non-Government debt securities

Financial assets - disclosed but not measured at fair value

Investments

Federal Government securities
Non-Government debt securities

Non-financial assets - measured at fair value

Property and equipment (land and buildings) (note 11.2)
Non-banking assets acquired in satisfaction of claims (note 14.1)

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange
Forward sale of foreign exchange
Derivatives sales

2025			
Level 1	Level 2	Level 3	Total

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

-	612,203,575	-	612,203,575
12,938,861	-	4,111,385	17,050,246
-	1,244,522	-	1,244,522
-	151,260	-	151,260
-	5,456,634	-	5,456,634
-	26,374,003	-	26,374,003
-	1,949,531	-	1,949,531
-	45,805,209	-	45,805,209
-	29,371,929	-	29,371,929
-	297,692	-	297,692

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On-balance sheet financial instruments

2024			
Level 1	Level 2	Level 3	Total

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

Financial assets - measured at fair value

Investments

Federal Government securities	-	610,499,249	-	610,499,249
Shares / Units of mutual funds	12,847,653	67,686	-	12,915,339
Non-Government debt securities (note 10.7.1)	-	47,881,091	-	47,881,091

Financial assets - disclosed but not measured at fair value

Investments

Federal Government securities	-	154,335	-	154,335
Non-Government debt securities (note 10.7.1)	-	6,818,118	-	6,818,118

Non-financial assets - measured at fair value

Property and equipment (land and buildings)	-	21,457,524	-	21,457,524
Non-banking assets acquired in satisfaction of claims	-	3,116,825	-	3,116,825

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	-	53,913,508	-	53,913,508
Forward sale of foreign exchange	-	25,677,767	-	25,677,767
Derivatives sales	-	982,880	-	982,880

The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date when the event or change in circumstances require the Group to exercise such transfers.

42.2 Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring level 3 fair values, as well as the significant unobservable inputs used.

Name of investee	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
1Link (Private) Limited	Discounted Cash Flow	The estimated fair value would increase / (decrease) if:	
		Five years average revenue growth rate 20%	The annual revenue growth rate were higher.
		Forecast EBITDA margin 76.9% to 59.2%	The EBITDA were higher .
		Risk adjusted discount rate 20.56%	The risk adjusted discount rate were lower.
		Terminal value growth rate 4% (using declining growth model)	Terminal value were higher.

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Sensitivity analysis

For the fair values of contingent consideration and equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effect

	Increase	Decrease
Contingent consideration		
	-----Rupees '000-----	
Effect on Unconsolidated Statement of Financial Position		
Expected cashflow (1 % movement in Revenue)	110,835	(110,835)
Risk Adjusted discount rate (0.1 movement in Relevered beta)	(171,628)	186,092
Effect on Unconsolidated Statement of Comprehensive Income		
Expected cashflow (1 % movement in Revenue)	110,835	(110,835)
Risk Adjusted discount rate (0.1 movement in Relevered beta)	(171,628)	186,092

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Ijarah Sukuk	Fair values of GoP Ijara Sukuk are derived using the PKISRV rates announced by the Financial Markets Association of Pakistan (FMAP) through Reuters and GIS revaluation rates issued by PSX. These rates denote an average of quotes received from different pre-defined / approved dealers / brokers.
Unlisted ordinary shares	The fair value of unquoted equity securities is determined using the income approach method using DCF method.
Sukuk Certificates	Fair values of Sukuk certificates are determined using the MUFAP or PSX rates.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivative instruments	The Holding Company enters into derivative contracts with various counterparties. Derivatives that are valued using valuation techniques with market observable inputs are mainly cross currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.
Mutual funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land and buildings)	Land and buildings and NBA are revalued by professionally qualified valuers of the Group. The valuations, mentioned above, are conducted by the valuation experts appointed by the Holding Company which are also on the panel of the Pakistan Banks' Association (PBA). The valuation experts use a market based approach to arrive at the fair value of the Holding Company's properties. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties
Non-banking assets acquired in satisfaction of claims (NBAs)	

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43 SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2025					
	Retail	CIBG	Treasury	SAM	Others	Total
Consolidated Profit and loss account	Rupees '000--					
Net return / profit	(35,704,946)	48,257,878	56,223,654	258,363	659,804	69,694,753
Inter segment revenue - net	92,684,573	(41,956,622)	(53,910,387)	26,689	3,155,747	-
Other income	12,806,456	6,156,025	16,448,356	(3,672)	(3,034,239)	32,372,926
Total income	69,786,083	12,457,281	18,761,623	281,380	781,312	102,067,679
Segment direct expenses	34,581,382	2,870,076	769,032	290,781	20,439,521	58,950,792
Inter segment expense allocation	16,031,279	1,729,580	345,078	287,261	(18,393,198)	-
Total expenses	50,612,661	4,599,656	1,114,110	578,042	2,046,323	58,950,792
Share of profit of associates	-	-	-	-	273,506	273,506
Credit loss allowance	(575,792)	(1,541,945)	1,694	(2,636,245)	(126,512)	(4,878,800)
Profit before tax	19,749,214	9,399,570	17,645,819	2,339,583	(864,993)	48,269,193
Consolidated Statement of financial position						
Cash and bank balances	43,179,406	-	67,411,087	-	141,156	110,731,649
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	7,479,179	625,560,852	508,311	3,692,976	637,391,318
Investment - credit loss allowance	-	(795,318)	-	(508,311)	-	(1,303,629)
Net inter segment lending	1,067,581,322	-	-	-	(1,067,581,322)	-
Financing - performing	254,663,442	613,934,848	-	2,673,970	70,144	871,342,404
Financing- non-performing	3,910,357	4,751,121	-	11,362,243	413,201	20,436,922
Financing- credit loss allowance	(3,892,958)	(4,062,398)	-	(11,362,243)	(437,733)	(19,755,332)
Others	34,641,861	9,540,967	9,320,116	186,070	104,477,635	158,166,649
Total assets	1,400,233,430	630,848,399	702,292,055	2,860,040	(959,223,943)	1,777,009,981
Due to financial institutions	15,741,958	46,254,773	68,758,570	-	(9,118,351)	121,636,950
Subordinated Sukuk	-	-	-	-	-	-
Deposits and other accounts	1,306,537,633	134,938,048	416	347,558	(14,987,965)	1,426,835,690
Net inter segment borrowing	-	448,941,713	627,973,832	2,511,395	(1,079,426,940)	-
Others	77,953,839	713,865	321,912	1,087	31,785,241	110,775,944
Total liabilities	1,400,233,430	630,848,399	697,054,730	2,860,040	(1,071,748,015)	1,659,248,584
Equity	-	-	5,237,325	-	112,524,072	117,761,397
Total Equity and liabilities	1,400,233,430	630,848,399	702,292,055	2,860,040	(959,223,943)	1,777,009,981
Contingencies and commitments	95,643,222	195,618,847	139,601,679	1,607,064	2,987,198	435,458,010
	2024					
	Retail	CIBG	Treasury	SAM	Others	Total
Consolidated Profit and loss account	Rupees '000--					
Net return / profit	(81,651,028)	67,500,477	96,449,787	217,758	(1,957,704)	80,559,290
Inter segment revenue - net	158,537,506	(60,430,902)	(91,407,208)	102,163	(6,801,559)	-
Other income	9,585,705	3,917,484	6,614,788	19,627	(515,296)	19,622,308
Total income	86,472,183	10,987,059	11,657,367	339,548	(9,274,559)	100,181,598
Segment direct expenses	30,393,241	1,833,555	637,316	314,297	18,162,153	51,340,562
Inter segment expense allocation	14,341,858	1,655,066	337,948	288,476	(16,623,348)	-
Total expenses	44,735,099	3,488,621	975,264	602,773	1,538,805	51,340,562
Share of profit of associates	-	-	-	-	447,564	447,564
Provisions	211,563	2,183,002	-	(1,278,638)	(3,578,599)	(2,462,672)
Profit before tax	41,525,521	5,315,436	10,682,103	1,015,413	(6,787,201)	51,751,272
Consolidated Statement of financial position						
Cash and bank balances	34,229,666	-	73,847,375	-	63,178	108,140,219
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	8,854,179	666,675,032	1,924,405	3,377,613	680,981,229
Investment provision	-	(800,904)	(956)	(1,924,405)	-	(2,726,265)
Net inter segment lending	766,579,757	-	-	-	(766,579,757)	-
Financing- performing	164,573,602	461,547,691	-	(1,832,270)	9,994,291	634,283,314
Financing- non-performing	4,890,511	6,350,382	-	12,824,289	269,900	24,335,082
Financing- provisions	(4,375,818)	(7,291,863)	-	(12,748,614)	(211,885)	(24,628,180)
Others	103,461,579	13,502,169	-	196,963	27,068,976	144,229,687
Total assets	1,069,509,297	482,161,654	740,521,451	(1,559,632)	(726,017,684)	1,564,615,086
Due to financial institutions	11,360,310	59,456,649	209,625,581	-	-	280,442,540
Subordinated sukuk	-	-	-	-	-	-
Deposits and other accounts	984,636,217	68,594,518	-	394,284	(9,609,271)	1,044,015,748
Net inter segment borrowing	-	347,306,553	518,548,253	(1,954,873)	(863,899,933)	-
Others	73,512,770	6,803,934	1,307,507	957	48,606,596	130,231,764
Total liabilities	1,069,509,297	482,161,654	729,481,341	(1,559,632)	(824,902,608)	1,454,690,052
Equity	-	-	11,040,110	-	98,884,924	109,925,034
Total Equity and liabilities	1,069,509,297	482,161,654	740,521,451	(1,559,632)	(726,017,684)	1,564,615,086
Contingencies and commitments	70,610,584	83,427,173	209,959,737	1,608,047	3,195,532	368,801,073

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44 TRUST ACTIVITIES

The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These are not assets of the Group and, therefore, are not included in the consolidated statement of financial position. The following is the list of assets held under trust:

Under IPS accounts:

Category	2025				
	No. of IPS accounts	Securities held (face value)			
		Pakistan Investment Bonds	Government Ijara Sukuks	Islamic Naya Pakistan Certificate	Total
		----- Rupees '000-----			

Corporate	65	-	1,421,500	-	1,421,500
Insurance companies	3	-	-	-	-
Asset management companies	62	-	935,000	-	935,000
Employees funds	176	2,000	203,700	-	205,700
Charitable institution / NGOs	23	-	-	-	-
Individuals	24,592	-	1,249,600	13,581,669	14,831,269
Related parties	68	-	8,504,100	495	8,504,595
Others	7	-	-	-	-
	24,996	2,000	12,313,900	13,582,164	25,898,064

Category	2024				
	No. of IPS accounts	Securities held (face value)			
		Pakistan Investment Bonds	Government Ijara Sukuks	Islamic Naya Pakistan Certificate	Total
		----- Rupees '000-----			

Corporate	62	-	1,488,100	-	1,488,100
Insurance companies	2	-	-	-	-
Asset management companies	64	-	4,098,000	-	4,098,000
Employees funds	171	2,000	162,900	-	164,900
Charitable institution / NGOs	23	-	14,600	-	14,600
Individuals	19,846	-	1,228,100	8,161,547	9,389,647
Related parties	118	-	7,874,900	161,510	8,036,410
Others	6	-	-	-	-
	20,292	2,000	14,866,600	8,323,057	23,191,657

Notes to the Consolidated Financial Statements

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45 RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, associates, employee benefit plans and its directors and key management personnel.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties as at the year end, other than those which have been disclosed elsewhere in these consolidated financial statements are as follows:

	2025					2024				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
Rupees '000										
Investments										
Opening balance	-	-	-	2,755,728	157,287	-	-	-	3,419,532	2,009,039
Investment made during the year	-	-	-	12,596,326	198,008	-	-	-	12,685,872	138,306
Investment redeemed / sold during the year	-	-	-	(11,999,234)	(160,366)	-	-	-	(13,684,532)	(37,546)
Equity method adjustment	-	-	-	241,545	-	-	-	-	334,856	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(2,234,998)
Other movements	-	-	-	-	3,989,755	-	-	-	-	282,486
Closing balance	-	-	-	3,594,365	4,184,684	-	-	-	2,755,728	157,287
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	-	1,951,094
Islamic financing and related assets										
Opening balance	-	278	532,539	-	5,099,550	-	54	652,579	-	6,758,391
Addition during the year	-	1,763	291,953	-	4,096,793	-	2,494	204,548	-	4,122,133
Repaid during the year	-	(1,634)	(324,970)	-	(4,292,090)	-	(2,270)	(324,588)	-	(5,535,602)
Written off during the year	-	-	202,740	-	9,899,836	-	-	-	-	(245,372)
Closing balance	-	407	702,262	-	14,804,089	-	278	532,539	-	5,099,550
Credit loss allowance held against Islamic financing and related assets	-	2	1,262	-	8,706	-	20	2,720	-	165,057
Other assets										
Profit / return accrued	-	-	50,146	-	13,893	-	-	26,283	-	55,970
Commission income receivable	-	-	-	279,045	-	-	-	-	346,279	-
Receivable from defined contribution plan	-	-	-	-	200,116	-	-	-	-	-
Receivable against reimbursement of expenses	-	-	-	7,173	-	-	-	-	73,026	-
Management fee and other receivable	-	-	-	37,032	-	-	-	-	15,687	-
Remuneration receivable from associated funds	-	-	-	249,269	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	182	59,457	103,006	45,555,437	3,526,628	182	99,238	78,073	45,920,675	2,895,486
Received during the year	-	319,712	2,742,842	3,257,858,826	1,680,977,638	-	545,472	2,506,651	1,914,650,050	333,656,879
Withdrawn during the year	-	(274,952)	(2,679,460)	(3,240,779,065)	(1,660,544,866)	-	(585,253)	(2,481,718)	(1,915,015,288)	(332,946,011)
Transfer in / (out) during the year	-	8	(8,997)	108	(94,065)	-	-	-	-	(79,726)
Closing balance	182	104,225	157,391	62,635,306	23,865,335	182	59,457	103,006	45,555,437	3,526,628
Other liabilities										
Profit / return payable	-	434	645	525,949	28,740	-	474	134	501,225	21,953
Payable to defined benefit plan	-	-	-	-	31,351	-	-	-	-	105,922
Contingencies and commitments										
Trade related commitments	-	-	-	-	21,784,355	-	-	-	-	129,689

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45.1

Balances pertaining to parties that were related at the beginning of the year but ceased to be related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through the movement presented above.

45.2

Details of outstanding investments and donations made during the year relating to related parties are given in notes 9 and 31.3 to these consolidated financial statements. Contributions to and accruals in respect of retirement benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration of the President and Chief Executive Officer, directors' fee, and certain related information are disclosed in note 41 to these consolidated financial statements. Such remuneration is determined in accordance with the terms of their employment. Details of shares held by the parent company are disclosed in note 21.2.1 to these consolidated financial statements. Details of assets held under trust arrangement on behalf of the related parties are given in note 44 to these consolidated financial statements.

RELATED PARTY TRANSACTIONS

	2025					2024				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
Rupees '000										
Income										
Profit / return earned	-	-	37,374	-	345,939	-	8	81,914	-	718,720
Fee and commission income	-	126	281	2,912,664	61,286	-	125	240	2,377,207	2,231
Dividend Income	-	-	-	31,961	143,073	-	-	-	112,708	101,690
Net gain on sale of securities	-	4,580	25,717	171,380	150,084	-	-	1,655	152,414	94,597
Reimbursement of expenses from associated funds	-	-	-	2,988	-	-	-	-	170,552	-
Other Income	-	-	22	-	-	-	-	-	-	-
Expense										
Profit / return expensed	-	7,193	13,491	7,599,160	234,274	-	9,372	3,447	6,969,444	352,250
Exchange Loss	-	-	-	-	-	-	-	-	-	1,852
Remuneration	-	-	1,105,357	-	316,622	-	-	995,571	-	285,117
Director's fee and other expenses	-	141,600	-	-	-	-	139,680	-	-	-
Subscription Fees	-	-	-	-	3,917	-	-	-	-	4,841
Charge for defined benefit plan	-	-	-	-	547,203	-	-	-	-	369,112
Donations made during the year	-	-	-	-	139,275	-	-	-	-	130,430
Contribution to defined contribution plan	-	-	-	-	625,765	-	-	-	-	503,929
Other Expense	-	-	-	-	173	-	-	-	-	-
Others										
No. Shares / units purchased during the year (IPS) (number in '000)	-	-	-	150,930	9,914	-	-	-	146,534	2,702
No. Shares / units sold during the year (IPS) (number in '000)	-	-	-	131,648	9,269	-	-	-	122,562	550
Government securities purchased during the year (IPS) (amount)	-	45,521	368,593	-	195,962	-	-	296,735	-	194,868
Government securities sold during the year (IPS) (amount)	-	45,443	383,343	-	4,334,836	-	-	315,525	-	2,699,895
Sale proceeds from disposal of property and equipment (amount)	-	-	41,574	-	-	-	-	-	-	-

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46 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum capital requirement (MCR):

Paid-up capital (net of losses)

Capital adequacy ratio (CAR):

Eligible common equity tier 1 (CET 1) capital

Eligible additional tier 1 (ADT 1) capital

Total eligible tier 1 capital

Eligible tier 2 capital

Total eligible capital (tier 1 + tier 2)

Risk weighted assets (RWAs):

Credit risk

Market risk

Operational risk

Total

Common equity tier 1 capital adequacy ratio (in %)

Tier 1 Capital adequacy ratio (in %)

Total Capital adequacy ratio (in %)

	2025	2024
	-----Rupees '000-----	
Paid-up capital (net of losses)	15,176,965	15,176,965
Eligible common equity tier 1 (CET 1) capital	98,658,580	85,475,286
Eligible additional tier 1 (ADT 1) capital	-	-
Total eligible tier 1 capital	98,658,580	85,475,286
Eligible tier 2 capital	16,950,319	21,353,240
Total eligible capital (tier 1 + tier 2)	115,608,899	106,828,526
Credit risk	548,186,778	415,882,351
Market risk	86,484,620	74,199,776
Operational risk	175,311,086	148,121,128
Total	809,982,484	638,203,255
Common equity tier 1 capital adequacy ratio (in %)	12.18%	13.39%
Tier 1 Capital adequacy ratio (in %)	12.18%	13.39%
Total Capital adequacy ratio (in %)	14.27%	16.74%

Capital adequacy is regularly monitored by the Group's management, employing techniques based on the guidelines developed by the Basel Committee and as per the requirements of the SBP. The required information is submitted to the SBP on a quarterly basis.

Since December 31, 2021, the SBP requires each bank or banking group to: (a) hold the minimum level of the paid-up capital of Rs 10 billion; (b) maintain a ratio of total regulatory capital to the risk-weighted assets at or above the required minimum level of 10% and (c) maintain common equity tier I (CET1) ratio and tier 1 ratio of 6% and 7.5% respectively.

An additional capital conservation buffer (CCB) of 1.5% (to be met from CET1) has to be maintained over and above the minimum required level.

The paid-up capital of the Group for the year ended December 31, 2025, stood at Rs 15.177 billion (2024: Rs 15.177 billion). As at December 31, 2025, the Bank's CAR stood at 14.27% (December 31, 2024: 16.74%) whereas CET1 and Tier 1 ratios both stood at 12.18% (December 31, 2024: 13.39%).

The Group is also in compliance with the conservation buffer requirements.

The Group calculates capital requirement as per Basel III regulatory framework, using the following approaches:

Credit Risk	Standardised Approach
Market Risk	Standardised Approach
Operational Risk	Basic Indicator Approach

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Leverage ratio (LR):

	2025	2024
	-----Rupees '000-----	
Eligible tier-1 capital	98,658,580	85,475,286
Total exposures	2,178,182,969	1,886,632,252
Leverage ratio (%)	4.53%	4.53%

Liquidity coverage ratio (LCR):

Total high quality liquid assets	661,457,367	693,948,071
Total net cash outflow	477,107,454	437,310,512
Liquidity coverage ratio (Ratio)	1.386	1.587

Net stable funding ratio (NSFR):

Total available stable funding	1,132,992,590	903,707,027
Total required stable funding	710,289,335	545,226,206
Net stable funding ratio (%)	159.51%	165.75%

46.1 Full disclosure on Capital Adequacy, Leverage Ratio & Liquidity Requirements prepared as per SBP instructions is available at <https://www.faysalbank.com>

47 RISK MANAGEMENT

Risk management group (RMG) has been organised under the Chief Risk Officer (CRO). It has been authorised by the Board of Directors (BoD) to monitor the implementation of an integrated risk management framework across the Holding Company. As an ongoing exercise to integrate risk related functions, RMG has been expanded, strengthened and entrusted to monitor the risk areas across the organisation, including adoption and convergence towards regulatory and Basel guidelines on risk management.

The primary objective of this architecture is to inculcate risk management into the organisation flows to ensure that risks are timely and accurately identified and assessed, properly documented, approved and adequately monitored and managed in order to ensure that risk taking activities are in line with the guidelines approved by the BoD and to protect the interests of the Bank's depositors and shareholders.

The 'risk management framework' at the Group encompasses:

- scope of risks to be managed;
- process, systems and procedures to manage risk; and
- roles and responsibilities of individuals involved in risk management.

The Group has adopted an approach that gives an integrated view of the risks faced by the organisation. This calls for aligning strategic vision, policy objectives and business processes / procedures within the risk management framework. The management of risk is integrated with the Group's management of capital and strategy. This ensures that risks taken in pursuit of the Group's strategic objectives are consistent with the policies, translating into targeted shareholder return as well as the Group's desired credit rating and risk appetite.

With this in view, the risk management framework endeavours to be a comprehensive and evolving set of guidelines to cater to changing business dynamics. The risk management framework includes:

- clearly defined risk management policies;
- well constituted organisational structure; and
- mechanism for ongoing review of all policies and procedures and risk exposures.

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The 'risk management framework' is built on the following elements:

- comprehensive risk governance; and
- effective risk processes.

The Group has developed and implemented a governance and management structure, processes surrounding each risk area, including credit risk, market risk, liquidity risk, capital management, operational risk, environmental, social risk, shari'ah non-compliance and information security risk and climate-related risk (which is recognized as a systemic driver that can potentially amplify these traditional exposures).

The essential components which contribute in effective management of all these risks are as follows:

- active board / senior management strategic direction and centralised RMG oversight;
- sufficient policies, procedures and limits;
- adequate risk measurement, monitoring and management information systems; and
- comprehensive internal controls.

The Board of Directors (BoD) monitoring and oversight is facilitated through the Board Risk Management Committee (BRMC), comprising of directors including the President & CEO. It is appointed and authorised by the BoD to assist in the design, regular evaluation and timely updation of the risk management framework. The BRMC has further authorised management committees such as Country Credit Committee (CCC), Agriculture Credit Committee (ACC), Enterprise Risk Management Committee (ERMC) and Assets and Liabilities Committee (ALCO) to supervise risk management activities within their respective areas.

In order to have an effective and efficient risk assessment, and to closely align its functions with business, RMG has separate risk management functions for credit risk management, based on the specialised skill sets and required specific experience in various business segments. These functions comprise of corporate risk, CBSME, agri and retail risk management.

The common responsibilities of all credit risk management functions include:

- conduct a thorough and an independent due diligence of the proposed / existing exposures in the respective risk portfolios.
- work with compliance department of the Holding Company to ensure conformity to the relevant Government regulations, the SBP PRs as well as internal policies.
- work with relationship teams to structure exposures such that they mitigate key risks, cater to customer requirements, remain economical in terms of risk weighted assets / capital allocation to ensure adequate risk coverage.

The risk management architecture is further fostered by enterprise risk management, Risk Policy, Analytics & ESG, information security function and an independent credit administration department.

The enterprise risk management function is responsible for managing and controlling market, operational and liquidity risks at an enterprise level and monitoring regulatory capital requirements of the Group.

Credit administration department - independent from the Risk Management function - looks after the security, financing documentation, disbursement and post disbursement monitoring aspects of the credit portfolio.

Risk Policy, analytics & ESG department serves as an independent check in the risk management function. It performs periodic review of all credit related portfolios (corporate, CBSME, retail, agri, SAM) and analyses portfolio compositions, risk rating distributions, emerging trends of NPLs, renewal status of Risk Approvals (RAs) as per policy and other policy related matters. It also formulates / updates credit policies (along with various limits prescribed therein) in line with regulatory environment, business strategy, the BoD approvals and the best practices.

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Moreover, the Green Banking Office (GBO) has been consolidated under the Risk Policy, Analytics & ESG umbrella at Group. Established in accordance with the State Bank of Pakistan's Green Banking Guidelines (Circular #08 of IH&SMEFD, dated October 09, 2017), the GBO operates within the Risk function to oversee the entity-wide implementation of Green Banking and ESG initiatives. This office is responsible for the day-to-day management of green banking activities at Group and supports the integration of ESG considerations into business decision-making. The GBO ensures the Group's compliance with SBP's Green Banking Guidelines, Group's Green Banking Policy, and any other relevant regulatory directives.

The information security risk function is responsible for information security risk identification, monitoring and reporting.

47.1 Credit risk

Credit risk is the identification of probability that a counterparty will cause a financial loss to the Group due to its inability or unwillingness to meet its contractual obligation. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

The Group's credit risk philosophy is based on the Group's overall business strategy / direction as established by the Board. The Group is committed to the appropriate level of due diligence to ensure that credit risks have been properly analysed, fully disclosed to the approving authorities, appropriately rated, appropriately structured, appropriately priced and documented.

The Group deals with many different types of obligors/borrowers and financing structures across the corporate, commercial, SME, agriculture and retail segments. The Group manages customer credit risk exposures within appropriate limits to ensure that it does not provide a disproportionate level of credit to a single borrower or group of connected clients. The Group follows aggregation principles – summing of credit risk limits to the same borrower, or group of connected clients – to identify and manage effectively all significant credit risk exposures to a single borrower within an individual business and, where appropriate, across other business segments.

The Group has well-defined credit approval and review processes under which senior officers with the requisite credit background, critically scrutinise, advise and discuss associated risks and recommend / review / approve credit facilities and financing, through respective credit committees. Besides financial, industry and transaction analysis, in order to quantify risks of counterparty, the credit evaluation also includes risk rating system to evaluate risk rating of the customers which is then monitored on a portfolio basis to gauge the Group's credit portfolio quality. To avoid risk concentration, counterparty limits, counterparty group limits and industry concentration limits are also established, monitored and assessed in the light of changing counterparty and market conditions.

With a view to develop and effectively manage a diversified credit portfolio within each business segment (as an integral part of the credit risk management process), the Group has adopted the concept of an industry / sector-wise exposure concentration grid which dictates target market exposures.

As part of the Group's portfolio strategy and planning activity, these industry concentration limits are continually overseen by the management against the Group's approved exposures in these sectors and reviewed by the Board Risk Management Committee (BRMC) in its meetings with an aim to monitor the overall risk and to avoid high exposure to a single group or industry.

The Group is regularly conducting credit portfolio reviews to assess early warning signs, with robust post disbursement credit review mechanism to identify obligors/customers most likely to be affected in the challenging business and economic environment. The Group is confident that it has adequate capacity to withstand Challenges.

The Group uses the Standardised Approach to calculate capital charge for credit risk as per Basel regulatory framework, with comprehensive approach for credit risk mitigation.

Stress testing for credit risk is carried out regularly to estimate the impact of increase in non performing financing and downward shift in these categories.

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47.1.1 Segment by class of business

Credit Risk Management (CRM) Framework (non-individual portfolio) covers three business segments: corporate risk management, commercial Grouping and SME (including agri) risk management. Based on overall guidance provided by a recognised and established external consultant, in line with the global best practices while ensuring regulatory compliance and alleviation of any (perceived) conflict of interest, credit management process has been segregated into two distinct categories:

- independent risk advice by risk management function.
- credit approvals by credit committee(s), while taking into consideration the business unit recommendations / approvals and independent risk advice.

With this segregation, the role of risk management function in credit approval process is focused to provide risk advice only, based on key risk parameters; whereas relevant credit committees are responsible for providing credit related approvals.

The common responsibilities of corporate risk management and commercial banking and SME (including agri) risk management include:

- conduct a thorough and an independent due diligence of the proposed / existing exposures in the respective risk portfolios.
- work with relationship teams to advise on structure of exposures such that they mitigate key risks, cater to borrower requirements, remain economical in terms of risk weighted assets / capital allocation to ensure risk coverage.
- work with the independent credit risk review team (under internal audit) for effective and periodic review of the credit portfolio.

Retail risk management is responsible for managing the credit risk of consumer finance credit products, with credit facilities extended to individual (non-corporate) borrower. The consumer finance function operates on a program approach, which are approved by the Country Credit Committee and subsequently by the BoD. The retail risk management provides its input on risk parameters in term of 'risk advice', at the time of approval / changes in product programs. The retail risk management also ensures that all the ongoing individual credit approvals are within pre-defined risk parameters as per the approved product programs.

47.1.2 Credit risk: general disclosures Basel specific

The Group has adopted the standardised approach under Basel. According to the regulatory statement submitted under the standardised approach, the portfolio has been divided into claims on public sector entities in Pakistan (PSEs), claims on corporate (excluding equity exposure) and claims categorised as retail portfolio. Claims on corporate constitute 60.58% (2024: 62.04%) of the total credit risk weighted assets, 2.04% (2024: 2.33%) represents claims on PSEs and 16.89% (2024: 15.04%) exposure pertains to claims categorised as retail portfolio.

47.1.3 Credit risk: disclosures for portfolio subject to standardised approach

For domestic claims, external credit assessment institutions (ECAIs) recommended by the SBP, namely Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited are used. For claims on foreign entities, ratings assigned by Standard and Poor, Fitch and Moody's are used. Exposures not rated by any of the aforementioned rating agencies are categorised as unrated.

Exposures	PACRA	VIS	Standard and Poor's	Moody's	Fitch
Corporate	✓	✓	-	-	-
Banks	✓	✓	✓	✓	✓
Sovereigns	-	-	✓	✓	✓
PSEs	✓	✓	-	-	-

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The SBP's indicative mapping process as instructed in the SBP's circular Minimum capital requirements for banks and DFIs (indicated in table below) was used to map alpha numeric ratings of PACRA, VIS, S&P's. Moody's, Fitch ratings, and numeric scores of ECAs, to the SBP's rating grades.

Long term rating grades mapping

SBP rating	ECA scores	PACRA	VIS	S & P	Moody's	Fitch
1	0,1	AA- and above	AA- and above	AA- and above	Aa3 and above	AA- and above
2	2	A+ to A-	A+ to A-	A+ to A-	A1 to A3	A+ to A-
3	3	BBB+ to BBB-	BBB+ to BBB-	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	4	BB+ to BB-	BB+ to BB-	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	5,6	B+ to B-	B+ to B-	B+ to B-	B1 to B3	B+ to B-
6	7	CCC+ & Below	CCC+ & Below	CCC+ & Below	Caa1 & Below	CCC+ & Below

Short term rating grades mapping

SBP rating	PACRA	VIS	S & P	Moody's	Fitch
S1	A-1 & above	A-1 & above	A-1 & above	P-1	F1
S2	A-2	A-2	A-2	P-2	F2
S3	A-3	A-3	A-3	P-3	F3
S4	Others	Others	Others	Others	Others

Particulars of the Group's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

47.1.4 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees '000										
Textile	-	10,981	-	10,981	-	-	-	-	-	-
Chemical and pharmaceuticals	-	1,405,073	-	1,405,072	-	-	-	-	-	10,981
Cement	500,000	500,000	500,000	500,000	-	-	-	-	500,000	1,405,072
Sugar	8,311	8,311	8,311	8,311	-	-	-	-	8,311	500,000
Power (electricity), gas, water, sanitary	5,437,846	51,807,783	-	-	-	-	-	-	-	8,311
Financial	839,000	839,000	-	-	3	945	-	-	-	-
Services	1,214,135	1,214,135	1,214,135	1,214,135	28	51	-	-	795,287	800,905
	<u>7,999,292</u>	<u>55,785,283</u>	<u>1,722,446</u>	<u>3,138,499</u>	<u>31</u>	<u>996</u>	<u>-</u>	<u>-</u>	<u>1,303,598</u>	<u>2,725,269</u>

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees '000										
Public / Government	5,437,846	51,807,783	-	-	3	945	-	-	-	-
Private	2,561,446	3,977,500	1,722,446	3,138,499	28	51	-	-	1,303,598	2,725,269
	<u>7,999,292</u>	<u>55,785,283</u>	<u>1,722,446</u>	<u>3,138,499</u>	<u>31</u>	<u>996</u>	<u>-</u>	<u>-</u>	<u>1,303,598</u>	<u>2,725,269</u>

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47.1.5 Islamic financing and related assets

Credit risk by industry sector

	Gross financing		Non-performing financing		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees '000										
Agriculture, Forestry, Hunting and Fishing	110,552,088	66,662,227	740,269	834,176	92,138	68,395	12,072	17,947	663,557	751,064
Mining and quarrying	6,081,560	5,978,762	3,451	3,451	6,065	2,054	-	22,991	3,451	3,451
Textile	125,618,288	108,857,008	4,539,881	5,932,654	104,173	78,306	22,645	29,218	4,432,549	5,710,332
Chemical & Pharmaceuticals	47,611,381	37,703,439	104,895	494,595	54,339	19,070	896	108,071	103,491	493,316
Cement	14,328,784	19,527,558	41,608	41,608	7,881	17,389	30,687	165,113	39,108	39,108
Sugar	36,273,722	26,512,510	372,866	441,575	51,695	25,473	7,688	195,646	372,866	441,575
Footwear and leather garments	5,206,956	1,261,353	169,257	329,162	7,146	2,664	-	-	169,257	274,692
Automobile and transportation equipment	16,694,378	15,879,292	398,284	415,285	5,169	18,352	-	6,690	306,440	324,780
Electronics and electrical appliances	22,931,843	9,185,906	538,001	540,201	9,515	7,415	1,369	1,324	425,116	427,316
Construction	6,682,525	4,239,562	469,017	703,417	6,494	1,263	173,057	188,812	358,983	856,421
Power (electricity), Gas, water, sanitary	108,887,560	86,357,627	1,476,306	1,804,497	107,682	42,936	63,538	158,566	1,476,306	1,804,497
Wholesale and retail trade	46,537,685	40,949,777	1,989,694	2,261,255	62,869	172,445	4,162	62,908	1,796,099	1,984,332
Transport, storage and communication	32,597,587	27,477,488	76,601	91,085	30,212	2,323	1	33,388	61,866	70,285
Financial	3,143,301	2,584,287	50,853	50,853	3,093	1,710	-	-	50,309	50,309
Insurance	3,541	6,317	-	-	4	21	-	-	-	-
Services	31,007,471	23,310,784	485,979	1,020,748	59,499	35,964	28,460	106,479	387,203	979,038
Individuals	84,938,596	63,751,509	2,096,441	1,708,897	476,264	426,435	92,425	153,262	1,048,840	942,528
Iron & steel and other metal Products	20,605,177	15,005,445	3,178,403	2,552,654	7,676	297,944	172,743	2,710	2,467,180	1,799,497
Food Products	58,332,704	29,200,581	1,151,084	-	77,042	23,449	9,037	87,068	1,060,337	-
Telecommunication	38,133,758	27,968,474	3,409	-	152,090	38,238	-	188,104	3,317	-
Paper & Paper Products	19,037,770	10,746,125	417,799	415,749	30,652	11,357	-	6,034	363,147	306,143
Furniture	2,787,474	561,628	168	168	17,801	1,603	-	563	168	168
Manufacture of refined petroleum products	42,134,880	13,838,122	1,551,888	1,837,450	27,835	4,011	-	12,890	1,551,888	1,808,092
Manufacture of rubber and plastic products	18,180,231	10,834,307	263,439	287,236	38,343	9,290	365	23,834	263,439	287,236
Others	8,891,751	26,558,225	317,329	2,568,366	10,301	17,478	-	43,929	285,292	2,332,868
	907,201,011	674,958,313	20,436,922	24,335,082	1,445,978	1,325,585	619,145	1,615,547	17,690,209	21,687,048

Credit risk by public / private sector

	Gross financing		Non-performing financing		Credit loss allowance Stage 1		Credit loss allowance Stage 2		Credit loss allowance Stage 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees '000										
Public / Government	218,830,936	147,383,067	-	-	60,415	15,686	-	41,230	-	-
Private	688,370,075	527,575,246	20,436,922	24,335,082	1,385,563	1,309,899	619,145	1,574,317	17,690,209	21,687,048
	907,201,011	674,958,313	20,436,922	24,335,082	1,445,978	1,325,585	619,145	1,615,547	17,690,209	21,687,048

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47.1.6 Contingencies and Commitments

Credit risk by industry sector

	2025	2024
-----Rupees '000-----		
Agriculture, forestry, hunting and fishing	2,961,210	134,204
Mining and quarrying	10,834,377	1,945,504
Textile	21,576,083	20,569,580
Chemical and pharmaceuticals	22,625,215	10,716,305
Cement	2,712,824	1,443,658
Sugar	358,083	86,539
Footwear and leather garments	321,505	319,901
Automobile and transportation equipment	17,855,884	2,752,781
Electronics and electrical appliances	12,929,649	5,116,360
Construction	6,664,231	2,738,331
Power (electricity), gas, water, sanitary	7,442,085	6,053,932
Wholesale and retail trade	50,448,593	58,111,412
Paper Products	2,826,919	2,028,586
Transport, storage and communication	4,916,072	2,204,238
Financial	3,916,702	4,445,176
Edible Oil and Ghee	12,449,229	3,364,648
Services	14,180,505	3,510,927
Rubber and Plastic Products	6,145,451	289,051
Manufacture of food products	6,676,848	4,918,886
Machinery and Equipment	1,696,243	958,425
Iron & Steel	6,026,948	3,232,784
Refinery and refined petroleum products	31,633,193	12,702,363
Others	2,402,435	772,266
	<u>249,600,284</u>	<u>148,415,857</u>

Credit risk by public / private sector

	2025	2024
Public / Government	25,400,259	511,085
Private	224,200,025	147,904,772
	<u>249,600,284</u>	<u>148,415,857</u>

47.1.7 Concentration of Islamic financing and related assets - exposures

The Group's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 301,222 million (2024: Rs. 212,284 million) are as following:

	2025	2024
-----Rupees '000-----		
Funded	266,386,817	179,748,973
Non-funded	34,834,734	32,534,820
Total exposure	<u>301,221,551</u>	<u>212,283,793</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 395,662 million (2024: Rs. 205,823 million).

There are no classified exposures under this category of financing.

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47.1.8 Islamic financing and related assets - province / region-wise disbursement and utilisation

Province / region	2025						
	Disburse-ments	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
----- Rupees '000-----							
Punjab	873,923,607	842,299,301	28,912,847	437,110	8,195	1,753,069	513,085
Sindh	1,662,179,419	20,115,170	1,598,140,089	54,493	266,230	43,598,946	4,491
KPK including FATA	3,280,720	20,370	-	3,260,350	-	-	-
Balochistan	585,197	33,940	-	-	551,257	-	-
Islamabad	144,353,920	32,805,369	382,403	2,134,077	94,935	108,774,332	162,804
AJK including Gilgit-Baltistan	84,319	36,256	-	-	-	-	48,063
Total	<u>2,684,407,182</u>	<u>895,310,406</u>	<u>1,627,435,339</u>	<u>5,886,030</u>	<u>920,617</u>	<u>154,126,347</u>	<u>728,443</u>
----- Rupees '000-----							
Province / region	2024						
	Disburse-ments	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
----- Rupees '000-----							
Punjab	403,020,803	380,664,370	21,281,113	320,137	275	714,867	40,041
Sindh	772,799,170	17,321,130	754,835,416	42,329	110,401	88,188	401,706
KPK including FATA	2,318,496	-	125,000	2,185,496	-	8,000	-
Balochistan	158,444	-	158,444	-	-	-	-
Islamabad	38,117,735	2,878,350	330,896	2,906,827	5,122	31,892,745	103,795
AJK including Gilgit-Baltistan	10,000	-	-	-	-	-	10,000
Total	<u>1,216,424,648</u>	<u>400,863,850</u>	<u>776,730,869</u>	<u>5,454,789</u>	<u>115,798</u>	<u>32,703,800</u>	<u>555,542</u>

47.1.9 Forward-looking information contained in ECL

The Holding Company's Expected Credit Loss (ECL) calculation incorporates forward-looking information by integrating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data helps in better predicting potential credit losses under different economic conditions.

To estimate Probability of Default (PD) and Loss Given Default (LGD), the Holding Company utilizes historical and forecasted macroeconomic data. For ECL calculations, the Holding Company considers Gross Domestic Product (GDP) and Consumer Price Index (CPI) as the primary macroeconomic variables, with forecasted data sourced from the International Monetary Fund (IMF). The selection of these variables is based on their relevance and sensitivity to specific portfolios.

The Holding Company has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios have been assigned probability weightings of 60% for the Base scenario, 10% for the Best scenario, and 30% for the Worst scenario to ensure a comprehensive assessment of credit risk exposure.

As part of its forward-looking assessment, the Holding Company conducted a sensitivity analysis on macroeconomic indicators used in Expected Credit Loss (ECL) calculations. As of December 31, 2025, the Holding Company developed three scenarios—Base, Best, and Worst—based on a five-year forecast. A 10% change in macroeconomic variables (GDP and CPI) in the Base scenario was applied to assess the upside and downside impact on PD / ECL. The resulting variations across different segments are as follows:

Segment	Upwards	Downwards
Corporate/Commercial	-13.201%	21.110%
SME	-25.717%	34.228%
Agri	-20.258%	24.649%
Consumer	-12.476%	14.200%
SME - Fleet	-29.167%	40.037%

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47.1.10 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Group performs sensitivity analysis on the ECL recognized on each of its segments.

The table below shows the loss allowance on each segment assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100% instead of applying scenario probability across the three scenarios.

	Total ECL as per FS	Base		Best		Worst	
		Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %
Corporate / Commercial	1,315,723	810,482	-38.400%	229,733	-82.539%	3,219,575	144.700%
SME	76,726	59,500	-22.451%	18,725	-75.595%	172,997	125.474%
Agri	103,891	82,756	-20.343%	29,451	-71.652%	210,039	102.172%
Consumer	568,783	478,118	-15.940%	241,882	-57.474%	964,521	69.576%

47.2 Market Risk

It is the risk that the value of on-balance sheet and off-balance sheet positions of the Group will be adversely affected by movements in market rates or prices such as benchmark rates, deposit rates, foreign exchange rates, equity prices and / or commodity prices resulting in a loss to earnings and capital. Market risks arise generally from trading activities, open foreign currency positions, holding common equity and other products. All such instruments and transactions are exposed to general and specific market movements.

The Group seeks to mitigate market risk by employing strategies that correlate price, rate and spread movements of its earning assets, liabilities and trading activities. Treasury front office, market risk management and treasury middle office perform market risk management activities within the Group. The Group has Enterprise Risk Management Committee which is responsible for recommending market risk policies and strategies for the Board approval and its subsequent implementation and review.

47.2.1 Consolidated statement of financial position split by trading and banking books

	2025			2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees '000-----						
Cash and balances with treasury banks	103,998,902	-	103,998,902	102,600,657	-	102,600,657
Balances with other banks	6,732,747	-	6,732,747	5,539,562	-	5,539,562
Due from financial institutions	-	-	-	-	-	-
Investments	10,180,902	625,906,787	636,087,689	8,536,557	669,718,407	678,254,964
Islamic financing and related assets	872,023,994	-	872,023,994	633,990,216	-	633,990,216
Property and equipment	53,500,569	-	53,500,569	45,009,778	-	45,009,778
Right-of-use assets	15,390,549	-	15,390,549	13,297,784	-	13,297,784
Intangible assets	2,448,901	-	2,448,901	2,739,091	-	2,739,091
Other assets	86,826,630	-	86,826,630	83,183,034	-	83,183,034
	<u>1,151,103,194</u>	<u>625,906,787</u>	<u>1,777,009,981</u>	<u>894,896,679</u>	<u>669,718,407</u>	<u>1,564,615,086</u>

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47.2.2 Foreign Exchange Risk

Foreign exchange risk / currency risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movements in currency exchange rates on the value of open foreign currency positions. Changes in currency rates affect the value of assets and liabilities denominated in foreign currencies and may affect revenues from foreign exchange dealing.

The Group undertakes currency risk mostly to support its trade services and maintains overall foreign exchange risk position to the extent of statutory Foreign Exchange Exposure Limit (FEEL) prescribed by the SBP.

Exposure limits such as counterparty, gap, net open position, dealer and bucket-wise currency delta limits are in place in accordance with the Bank's approved policies in order to manage associated risk and concentration at the acceptable tolerance levels.

	2025				2024			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	Rupees '000							
United States Dollar	49,090,338	59,966,071	10,523,660	(352,073)	24,867,483	45,055,392	18,973,173	(1,214,736)
Great Britain Pound Sterling	2,220,566	7,133,476	4,737,278	(175,632)	2,315,004	6,579,388	4,266,408	2,024
Euro	1,396,726	3,934,107	2,414,991	(122,390)	729,021	5,635,262	4,908,187	1,946
Japanese Yen	282	612	17,892	17,562	4,080	26	-	4,054
Other currencies	2,289,509	2,272,994	-	16,515	208,056	237,717	38,756	9,095
	<u>54,997,421</u>	<u>73,307,260</u>	<u>17,693,821</u>	<u>(616,018)</u>	<u>28,123,644</u>	<u>57,507,785</u>	<u>28,186,524</u>	<u>(1,197,617)</u>

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 1% change in foreign exchange rates on				
- profit and loss account	-	(11,819)	-	(30,507)
- other comprehensive income	-	-	-	-

47.2.3 Equity Position Risk

Equity position risk is the risk arising from unfavourable fluctuations in prices of shares in which the Group carries positions. It is a risk to earnings or capital that results from adverse changes in the value of equity related portfolios of the Group. Price risk associated with equities could be systematic or unsystematic. Systematic risk is due to sensitivity of portfolio's value to changes in overall level of equity prices, while unsystematic risk is associated with price volatility that is determined by the specific characteristics of the investee company.

The Group's equity position is governed by position limits imposed by the SBP for overall investment and per scrip exposure. Additionally, there are internal limits set to manage overall earnings in the form of stop loss limits and maintain a diverse portfolio through sector concentration limits.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees '000			
Impact of 5% change in equity prices on				
- profit and loss account	-	-	-	-
- other comprehensive income	3,135	643,808	13,720	628,663
Impact of 1% change in discount rates on				
- profit and loss account	(2,042,589)	2,961,010	1,259,233	3,518,181
- other comprehensive income	(2,021)	(6,861,299)	-	(4,956,563)

47.2.4 Yield / profit rate risk in the banking book (IRRBB) -Basel II specific

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47.2.5 Mismatch of yield rate sensitive assets and liabilities

Effective profit rate (%)	2025								
	Exposed to yield risk								
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Above 10 years
Non-yield bearing financial instruments									

Rupees '000

On-balance sheet financial instruments

Assets									
Cash and balances with treasury banks	103,998,902	-	-	-	-	-	-	-	103,998,902
Balances with other banks	6,732,747	-	-	-	-	-	-	-	6,732,747
Due from financial institutions	-	-	-	-	-	-	-	-	-
Investments	636,087,889	72,931,793	2,129,750	377,705,902	27,684,083	14,237,112	14,593,041	6,448,424	16,182,142
Islamic financing and related assets	872,023,994	448,015,605	164,211,830	100,923,761	114,582,474	7,685,812	744,788	1,833,470	2,747,407
Other assets	70,198,319	-	-	-	-	-	-	-	70,198,319
	1,689,041,651	520,947,398	166,341,580	478,629,663	142,226,557	21,922,924	15,337,829	35,018,287	199,859,517
Liabilities									
Bills payable	33,288,005	-	-	-	-	-	-	-	33,288,005
Due to financial institutions	121,636,950	67,159,850	2,667,178	14,630,965	197,082	1,328,858	3,621,823	24,824,439	443,782
Deposits and other accounts	1,426,835,690	722,564,150	94,704,032	3,803,263	70,219,937	59,159	12,238	16,918	535,455,993
Liabilities against assets subject to finance lease	18,481,082	-	-	-	-	-	-	-	18,481,082
Other liabilities	50,958,073	-	-	-	-	-	-	-	50,958,073
	1,651,199,800	789,724,000	97,371,210	18,434,228	70,417,019	1,388,017	3,634,061	24,824,439	638,626,935
	37,841,851	(268,776,602)	68,970,370	460,195,435	71,849,538	20,534,907	11,703,768	10,193,848	(438,767,419)

On-balance sheet gap

Net non-financial assets

Total net assets

Off-balance sheet financial instruments

Commitments in respect of:									
- forward foreign exchange contracts - purchase	46,048,082	10,655,258	10,567,621	2,111,135	22,714,088	-	-	-	-
- forward foreign exchange contracts - sale	(29,742,026)	(13,061,035)	(9,990,077)	-	(6,690,914)	-	-	-	-
- forward government securities transactions - purchase	63,470,659	-	-	-	-	-	-	-	63,470,659
- forward government securities transactions - sale	-	-	-	-	-	-	-	-	-
- cross currency and swaps	(337,312)	-	-	-	-	-	-	-	(337,312)
- forward lending	-	-	-	-	-	-	-	-	-

Off-balance sheet gap

Total yield risk rate sensitivity gap

	79,439,403	(2,405,777)	577,544	2,111,135	16,023,154	-	-	-	63,133,347
	(271,182,379)	69,547,914	462,306,570	87,872,692	20,534,907	11,703,768	99,229,021	10,193,848	2,708,984

Cumulative yield risk rate sensitivity gap

	(271,182,379)	(201,634,465)	260,672,105	348,544,797	369,079,704	380,783,472	480,012,493	490,206,341	492,915,325

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2024										
Effective profit rate	Exposed to yield risk									Non-yield bearing financial instruments
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
(%)										
On-balance sheet financial instruments										
Rupees '000										
Assets										
Cash and balances with treasury banks	102,600,657	-	-	-	-	-	-	-	-	102,600,657
Balances with other banks	5,539,562	-	-	-	-	-	-	-	-	5,539,562
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments - net	678,254,964	88,948,887	41,678,306	420,039,597	6,813,805	43,319,718	14,026,122	44,460,078	6,296,182	12,672,269
Islamic financing and related assets - net	633,990,216	431,748,036	91,794,324	24,727,781	30,381,008	15,386,895	6,842,595	1,080,279	25,530,043	2,402,644
Other assets	68,666,564	-	-	-	-	-	-	-	-	68,666,564
	1,489,051,963	520,696,923	133,472,630	444,767,378	37,194,813	58,706,613	20,868,717	45,540,357	31,826,225	191,881,696
Liabilities										
Bills payable	39,169,649	-	-	-	-	-	-	-	-	39,169,649
Due to financial institutions	280,442,540	215,002,314	3,150,058	23,533,344	648,663	1,407,450	1,943,439	2,141,132	31,741,065	839,945
Deposits and other accounts	1,044,015,748	126,188,101	25,840,595	25,405,211	42,327,833	37,466,116	145,800,937	75,578,268	103,327,400	461,995,073
Other liabilities	62,401,091	-	-	-	-	-	-	-	-	62,401,091
	1,426,029,028	341,190,415	28,990,653	48,938,555	42,976,496	38,873,566	147,744,376	77,719,400	135,088,465	564,405,758
On-balance sheet gap	63,022,935	179,506,508	104,481,977	395,828,823	(5,781,683)	19,833,047	(126,875,659)	(32,179,043)	(103,242,240)	(372,524,062)
Net non-financial assets										
	46,902,099									
Total net assets	109,925,034									
Off-balance sheet financial instruments										
Commitments in respect of:										
- forward foreign exchange contracts - purchase	54,802,453	28,910,306	20,821,146	4,174,641	896,360	-	-	-	-	-
- forward foreign exchange contracts - sale	(25,817,802)	(8,557,232)	(8,205,470)	(9,055,100)	-	-	-	-	-	-
- forward government securities transactions - purchase	128,375,400	-	-	-	-	-	-	-	-	128,375,400
- forward government securities transactions - sale	-	-	-	-	-	-	-	-	-	-
- cross currency and swaps	(964,082)	-	-	-	-	-	-	-	-	(964,082)
- forward lending	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	156,395,969	20,353,074	12,615,676	(4,880,459)	896,360	-	-	-	-	127,411,318
Total yield risk rate sensitivity gap	199,859,592	117,097,653	390,948,364	(4,885,323)	19,833,047	(126,875,659)	(32,179,043)	(103,242,240)	3,975,267	
Cumulative yield risk rate sensitivity gap	199,859,592	316,957,235	707,905,599	703,020,276	722,853,323	595,977,664	563,798,621	460,556,381	464,531,648	

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Yield curve risk is the risk that a financial instrument will suffer either a decline in income or capital because future changes in prevailing profit rates impact assets more or less than they impact liabilities.

The profit rate risk of the Group arises when there is a mismatch between contractual maturities, which are subject to profit rate adjustment within a specified period or re-pricing of on and off-balance sheet assets and liabilities. Risk is addressed by Asset and Liability Management Committee that reviews the profit rate dynamics at regular intervals and decides re-pricing of assets and liabilities to ensure that the spread of the Group remains at an acceptable level.

Major sources of profit rate risk are;

- i) differences between the timing of rate changes and the timing of cash flows (re-pricing risk);
- ii) changing rate relationships among different yield curves affecting the Group's activities (basis risk);
- iii) changing rate relationships across the range of maturities (yield curve risk);
- iv) profit-related options embedded in the Group's products (options risk); and
- v) changes in marked-to-market value of financial instruments which occur when profit changes (price risk).

47.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human factors or from external events. The Group businesses are dependent on the ability to process a large number of transactions efficiently and accurately. Operational risks and losses originate from business / operational process failure, IT security failure, natural disasters, dependence on key suppliers, fraud, service quality compromises, regulatory non-compliance, loss of key staff and social and environmental impacts.

The operational risk management function is primarily responsible for the oversight of operational risk management across the Group. The operational risk management framework of the Group is governed by the operational risk management policy and procedures, while the implementation is supported by an operational risk management system and designated operational risk coordinators within different units across the Group. The framework is in line with international best practices, flexible enough to implement in stages and permits the overall approach to evolve in response to organizational learning and future requirements.

The Group has implemented an effective operational risk management framework for managing operational risk. Each department has processes and system controls in place to address operational risks within their area. Operational loss data is collected through a well defined program implemented across the Group. Periodic workshops are conducted for risk and control self assessment and key risk exposures are identified and assessed against existing controls to evaluate improvement opportunities. Key risk indicators are also defined for monitoring of risk exposures. New products, systems, activities and processes are subject to comprehensive operational risk assessments, before implementation. Regular updates on operational risk status is presented to Enterprise Risk Management Committee (ERMC) and the Board of Directors through the Board Risk Management Committee (BRMC). Further, as part of Group's ongoing commitment to enhance Group's services and to ensure Group-wide risk awareness culture, Operational Risk Management Department has also organized special workshops / class room trainings tailored for Pan Pakistan Branch Operations Team.

Operational risk-disclosures Basel II specific

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Group is currently using basic indicator approach for calculating operational risk capital charge.

Under basic indicator approach the capital charge for operational risk is a fixed percentage (denoted alpha) of average positive annual gross income of the Group over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average.

47.4 Shari'ah Non-Compliance Risk (SNCR)

Shari'ah Non-Compliance Risk (SNCR) is the financial and reputational risk that arises from a Group's failure to comply with the Shari'ah rules and principles prescribed by the State Bank of Pakistan and Shari'ah Board of the Group.

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Managing Shari'ah non-compliance risk is vital for the establishment of an effective Shari'ah governance system. Shari'ah compliance is critical to an Islamic Group's operations and such compliance requirements must permeate throughout the organization and its products and activities.

Group is fully aware of the importance and implication of Shari'ah non-compliance risk on its business and strategy and therefore, ensures Shari'ah compliance in its business activities & operations. Group has also developed a comprehensive framework for Shari'ah Non-Compliance Risk management, which entails identification, assessment, monitoring / controlling and reporting of SNCR residing in the Group.

47.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due and to replenish funds when they are withdrawn.

Liquidity risk management framework is governed by the liquidity risk management policy. The policy provides specific directives for measuring and managing liquidity risk, identifies responsible personnel; and defines their respective roles and responsibilities relating to liquidity risk management.

The management of liquidity risk is accomplished through a formal structure which includes:

- Board of Directors (BoD)
- Board Risk Management Committee (BRMC)
- Asset and Liability Committee (ALCO)
- Enterprise Risk Management Committee (ERMC)
- Treasury

The BoD approves the liquidity risk management policy including risk limits and ensures, through quarterly reviews by the BRMC, that the Group's liquidity risk is being managed prudently. The BRMC plays a strategic role in liquidity risk management by overseeing the liquidity risk profile of the Group. ERMC defines the risk tolerance levels and setting risk limits for effective liquidity risk management. ALCO ensures adherence with policy requirements and risk limits so that the Group remains sufficiently liquid at all times.

The market and liquidity risk under enterprise risk management function overseas liquidity risk. The Group's Asset and Liability Committee manages the liquidity position on a continuous basis.

The Group ensures to maintain a diversified portfolio of liquid assets and funding base. Sources of funding comprise of a good mix of core deposits. Concentration in deposit, especially large volume deposits, is closely monitored to anticipate any potential liquidity issues in case of their withdrawals.

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios like liquid assets to liquid liabilities, liquid assets to total deposits, large volume deposits to total deposits, financing to deposit, liquid assets to volatile funding; on a regular basis against defined limits. Further, liquidity gaps over different time bands, are also monitored through maturity profiling of assets and liabilities. The Group also ensures that statutory cash and liquidity requirements are maintained at all times. In addition, the Group has also implemented the SBP's Basel III liquidity standards for ensuring compliance with the requirements of LCR, NSFR and other monitoring tools.

The Group performs liquidity stress testing on periodic basis in order to ensure sufficient liquidity is always available to meet financial obligations / commitments. Stress testing aims to quantify the potential impact of extreme yet plausible events or movements on the value of portfolio. Shocks include withdrawal of deposits, withdrawal of wholesale / large deposits, withdrawal of top deposits, etc. The results of liquidity stress testing are shared with relevant authorities / committees, on periodic basis.

Contingency funding plan (CFP) is a part of liquidity risk management policy of the Group. CFP provides a set of several early warning indicators of a possible liquidity shortfall situation; describes the actions to be taken to manage it and identifies the roles and responsibilities of ALCO, CFP team or other relevant authorities.

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47.5.1 Maturities of assets and liabilities - based on contractual maturities

2025													
Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Rupees '000													
Assets													
Cash and balances with treasury banks	3,466,580	20,799,480	24,266,060	55,466,782	-	-	-	-	-	-	-	-	-
Balances with other banks	-	6,732,747	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	636,087,699	-	-	-	1,817,943	1,817,948	4,526,806	3,925,936	154,144,535	198,462,130	71,587,669	166,891,336	32,913,386
Islamic financing and related assets	872,023,994	175,302,919	7,525,888	44,059,650	49,046,135	67,586,150	129,815,500	54,650,841	33,801,985	59,683,800	62,699,661	82,861,282	89,552,499
Property and equipment	53,500,569	974,815	233,527	623,014	1,168,269	1,173,845	1,212,428	65,864	160,697	719,506	1,149,248	10,257,105	35,489,808
Right-of-use assets	15,390,549	-	-	-	455	710	25,981	48,753	76,680	286,929	588,990	1,841,624	12,520,427
Intangible assets	2,448,901	3,976	23,581	62,882	119,837	119,445	120,356	42,725	232,785	345,017	1,036,436	314,387	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	86,826,630	2,630,764	4,058,776	8,948,040	17,712,354	9,280,343	25,194,928	4,372,679	2,726,903	6,791,376	52,460	-	166,004
	1,777,009,981	182,379,054	39,373,979	44,891,684	109,160,368	79,977,441	160,885,999	63,106,798	191,143,585	286,293,758	137,114,464	262,165,734	170,642,124
Liabilities													
Bills payable	33,288,005	1,109,600	6,657,601	17,753,603	-	-	-	-	-	-	-	-	-
Due to financial institutions	121,636,950	72,887	67,023,601	317,128	1,776,379	890,799	14,630,965	121,908	75,174	1,328,658	3,622,663	6,823,795	24,762,777
Deposits and other accounts	1,426,835,690	1,168,216,225	30,904,380	36,797,436	33,202,009	61,502,588	3,803,263	11,139,049	59,080,893	59,137	12,234	17,010	-
Lease liabilities	18,528,708	-	-	-	-	-	7,245	4,897	39,572	348,742	833,347	2,899,320	14,395,585
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	5,241,633	-	-	-	-	-	-	-	-	-	5,241,633	-	-
Other liabilities	53,717,598	537,181	2,264,995	9,136,071	12,479,439	5,789,150	10,863,617	5,188,547	4,594,973	22,918	41,447	6,992	-
	1,659,248,584	1,169,935,893	106,850,577	64,004,238	47,457,827	68,182,517	29,305,090	16,454,401	63,790,612	1,759,655	9,751,324	9,747,117	39,158,362
Net assets	117,761,397	(987,556,839)	(67,476,598)	45,156,130	22,407,166	11,794,924	131,590,909	46,652,397	127,352,973	264,534,103	127,363,140	252,418,617	131,483,762
Share capital													
Share capital	15,176,965	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	20,003,104	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net	17,164,358	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profit	65,416,540	-	-	-	-	-	-	-	-	-	-	-	-
Total equity attributable to the equity holders of the Bank	117,760,967	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest	430	-	-	-	-	-	-	-	-	-	-	-	-
	117,761,397	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2024													
Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Rupees '000--													
Assets													
Cash and balances with treasury banks	102,600,657	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	5,539,562	5,539,562	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	678,254,964	-	-	-	1,604,091	1,605,447	10,702,602	24,443,864	16,265,359	171,426,415	204,476,274	204,291,276	43,439,636
Islamic financing and related assets - net	633,990,216	57,173,213	14,209,332	33,693,228	123,313,150	80,920,619	87,386,631	25,357,821	28,398,693	34,337,097	30,563,984	41,585,378	65,902,104
Property and equipment	45,009,778	989,177	346,053	411,260	919,521	1,682,198	1,683,324	31,831	19,675	635,958	1,030,376	8,854,829	26,727,839
Right-of-use assets	13,297,784	-	-	-	658	6,163	9,671	28,003	56,246	311,565	436,160	1,512,954	10,936,364
Intangible assets	2,739,091	7,066	52,141	67,357	124,943	219,165	216,066	455	105,143	207,252	900,140	625,266	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	83,183,034	17,492,014	3,025,612	8,933,168	7,421,599	6,798,249	25,518,173	2,908,165	2,031,996	4,232,200	40,191	-	848,212
	1,564,615,086	178,262,117	23,172,700	15,561,038	43,670,860	134,231,342	91,231,841	52,770,139	46,877,112	211,150,487	237,447,125	256,869,703	147,854,155
Liabilities													
Bills payable	39,169,649	1,305,655	7,833,930	9,139,585	20,890,479	-	-	-	-	-	-	-	-
Due to financial institutions	280,442,540	887,491	214,073,635	246,034	635,098	1,683,762	23,533,344	58,842	589,821	1,407,450	1,943,439	2,141,132	31,776,196
Deposits and other accounts	1,044,015,748	893,238,492	40,386,611	10,889,133	41,735,151	7,801,241	16,589,717	13,160,821	11,638,030	49,287	13,179	11,759	-
Lease liabilities	15,882,671	-	-	-	-	-	614	2,350	36,952	308,940	560,677	2,124,953	12,548,185
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	13,101,335	-	-	-	-	-	-	-	-	-	13,101,335	-	-
Other liabilities	62,378,109	14,795,946	2,496,540	2,149,485	5,767,721	7,084,854	13,498,018	4,249,122	6,323,973	1,991,163	48,403	1,051	-
	1,454,680,052	910,227,584	264,790,716	21,624,237	69,028,449	14,730,456	53,621,693	17,471,135	18,888,776	3,756,840	15,667,033	4,278,895	44,324,381
Net assets	109,925,034	(731,965,467)	(241,618,016)	(6,063,199)	(25,357,589)	119,500,886	71,894,774	35,299,004	28,288,336	207,393,647	221,780,092	252,590,808	103,529,774
Share capital													
Share capital	15,176,965	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	17,866,357	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net	22,771,883	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profit	54,109,498	-	-	-	-	-	-	-	-	-	-	-	-
Total equity attributable to the equity holders of the Bank	109,924,693	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest	341	-	-	-	-	-	-	-	-	-	-	-	-
	109,925,034	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

47.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

In line with the SBP BSD Circular Letter No. 02 and 03 of 2011 on "Maturity and Profit rate sensitivity gap reporting", deposit withdrawal pattern analysis on current and saving accounts (CASA) is conducted on at least ten years weekly data. The outliers (seasonal variations) are adjusted from data using fourth spread statistical methodology. The regression methodology is used to estimated deposits withdrawal pattern of both current and saving deposits. This methodology is in line with industry best practices and regulatory guidelines.

	2025									
Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Rupees '000-----										
Assets										
Cash and balances with treasury banks	103,998,902	10,493,470	2,922,364	4,258,747	9,749,879	17,648,581	23,144,913	12,422,846	23,295,711	62,591
Balances with other banks	6,732,747	-	-	-	-	-	-	-	-	-
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	636,087,689	-	4,045,015	5,222,868	158,203,126	197,940,553	71,399,530	166,452,730	32,823,867	-
Islamic financing and related assets	872,023,994	449,502,655	164,756,881	101,258,747	114,962,795	7,685,812	744,788	1,833,470	28,569,862	2,708,984
Property and equipment	53,518,873	936,310	7,038	44,892	2,561,776	3,054,746	1,149,309	10,257,651	8,787,082	26,720,069
Right-of-use assets	15,390,549	-	1,165	25,981	125,432	286,927	588,987	1,841,614	11,023,419	1,497,024
Intangible assets	2,448,901	157	2,181	1,703	280,828	468,277	345,023	1,036,455	314,277	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	86,826,630	20,823,908	25,815,568	25,496,612	7,390,149	7,082,070	50,822	-	167,501	-
	1,777,028,285	488,489,247	197,550,212	136,309,550	293,273,985	234,166,966	97,423,372	193,844,566	104,981,719	30,988,668
Liabilities										
Bills payable	33,288,005	-	-	-	-	-	-	-	-	-
Due to financial institutions	121,636,950	67,603,638	2,667,176	14,630,965	197,082	1,328,858	3,621,823	6,762,973	24,824,435	-
Deposits and other accounts	1,426,835,690	205,294,505	126,462,211	51,792,861	179,600,122	201,122,026	255,819,002	139,370,469	266,641,740	732,754
Lease liabilities	18,528,708	-	-	7,245	44,469	348,742	833,347	2,622,072	12,919,767	1,753,066
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	5,241,633	-	-	-	-	-	5,241,633	-	-	-
Other liabilities	53,717,598	14,734,382	18,268,550	10,863,595	9,783,499	22,918	41,446	3,208	-	-
	1,659,248,584	320,920,530	147,397,937	77,294,666	189,625,172	202,822,544	265,557,251	148,758,722	304,385,942	2,485,820
Net assets	117,779,701	167,568,717	50,152,275	59,014,884	103,648,813	31,344,422	(68,133,879)	45,085,844	(199,404,223)	28,502,848
Share capital	15,176,965									
Reserves	20,003,104									
Surplus on revaluation of assets - net	17,164,358									
Unappropriated profit	65,416,540									
Total equity attributable to the equity holders of the Bank	117,760,967									
Non-controlling interest	430									
	117,761,397									

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2024										
Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Rupees '000-										
Assets										
Cash and balances with treasury banks	102,600,657	8,239,613	2,046,282	3,014,910	6,362,530	12,845,074	28,491,479	15,826,861	25,727,678	46,230
Balances with other banks	5,539,562	445,097	110,513	162,860	343,455	693,562	1,538,066	854,478	1,389,046	2,495
Due from financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	678,254,964	78,564,061	42,280,770	424,959,676	13,286,972	43,984,024	24,450,238	44,573,059	6,156,164	-
Islamic financing and related assets	633,990,216	433,563,817	92,193,396	24,750,979	30,522,222	15,392,218	6,845,769	1,080,708	25,539,859	4,101,248
Property and equipment	45,009,778	941,844	1,456	5,901	3,396,762	3,976,742	1,030,847	8,856,054	6,013,583	20,786,589
Right-of-use assets	13,297,784	-	6,823	9,671	84,305	311,712	436,436	1,513,775	9,800,178	1,134,884
Intangible assets	2,739,091	-	-	457	437,140	524,267	213,571	922,583	641,073	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	85,798,160	33,177,499	14,283,621	25,500,445	5,002,872	6,935,136	40,917	-	857,670	-
	1,567,230,212	554,931,931	150,922,861	478,404,899	59,436,258	84,662,725	63,047,323	73,627,518	76,125,251	26,071,446
Liabilities										
Bills payable	39,169,649	39,169,649	-	-	-	-	-	-	-	-
Due to financial institutions	280,442,540	215,842,258	3,150,056	23,533,344	648,663	1,407,450	1,943,439	2,141,132	31,741,065	35,133
Deposits and other accounts	1,044,015,748	164,564,756	34,866,547	43,063,174	80,729,879	113,009,726	246,061,580	137,076,341	224,243,372	400,373
Lease liabilities	15,582,671	-	-	612	38,959	308,657	560,100	2,123,374	11,149,433	1,401,536
Subordinated sukuk	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	13,101,335	-	-	-	-	-	13,101,335	-	-	-
Other liabilities	64,993,235	25,214,462	11,101,101	13,585,758	10,550,182	4,492,781	47,937	1,014	-	-
	1,457,305,178	444,791,125	49,117,704	80,182,888	91,967,683	119,218,614	261,714,391	141,341,861	267,133,870	1,837,042
Net assets	109,925,034	110,140,806	101,805,157	398,222,011	(32,531,425)	(34,555,889)	(198,667,068)	(67,714,343)	(191,008,619)	24,234,404

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

47.6 Derivative risk management

The Group's derivatives risk management is performed under market risk management which is an independent unit reporting to the Chief Risk Officer. The risk management policies are governed by the regulatory and internal guidelines. The risk management department of the Group reviews credit risk, market risk and other risks associated with the derivative transactions or related area of the activity and assigns limits within which the transactions / area of activity can be carried out. Furthermore, Group's derivative portfolio is on run off basis due to conversion. Adherence to these limits is ensured through independent monitoring and control functions.

There are a number of risks undertaken by the Group, which need to be monitored and assessed. The management of risks includes the following primary components:

- comprehensive risk measurement approach;
- detailed structure of limits, guidelines and other parameters used to govern risk taking; and
- strong management information system for controlling, monitoring and reporting risks.

Major risks associated with the derivative instruments are market risk, credit risk and liquidity risk. The Group uses FIS-System to measure and manage these risks which provides end-to-end capability with respect to transaction life cycle.

Market risk

Market risk is the risk that the value of a derivative contract will be adversely affected by movements in equity prices, profit rates, currency exchange rates and commodity prices. The authority for approving policies, limits and periodic reviews rest with the Board of Directors. The critical measures used to manage market risks are profit rate delta and currency delta basis. These measures involve extreme shifts in a variety of parameters, such as FX rates, profit rates, equity prices, implied volatility levels and combinations of the above. These measures are calculated through the relevant systems.

Credit risk

Credit risk is the risk that a party to a derivative contract will fail to perform its obligation. There is a settlement risk associated with the derivative transactions. Settlement risk is monitored on a daily basis. Risk management department of the Group sets the policies and limits for counterparty risk based on a pre-defined criteria linked with the internal risk rating of the borrower.

Liquidity risk

Liquidity risk is managed as part of the overall liquidity risk of the Group. The risk management policies related to liquidity risk are explained in note 47.5 to these consolidated financial statements.

48 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on February 19, 2026 by the Board of Directors of the Group.

49 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current year.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

50 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

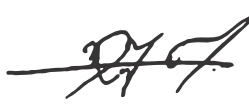
The Board of Directors of the Holding Company in its meeting held on February 19, 2026 has proposed a final cash dividend of Rs. 2 per share (20%) for the year ended December 31, 2025. This is in addition to Rs. 4.5 already paid during the year bringing the total dividend for the year to Rs. 6.5 per share (2024: Rs. 7). These consolidated financial statements for the year ended December 31, 2025 do not include the effect of this appropriation which will be accounted for subsequent to the year end.



President & CEO



Chief Financial Officer



Chairman



Director



Director

Annexure I to the Consolidated Financial Statements

Statement showing written-off financing or any other financial relief of five hundred thousand rupees or above provided during the year ended December 31, 2025 as referred in note 10.9.2 to these consolidated financial statements.

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year				Rupees '000			
						Principal	Profit / Return	Others	Total (7+8+9)	Principal written-off	Profit / Return written-off	Other Financial Reliefs provided	Total (11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Punjab Beverages Co. (Pvt.) Ltd.	ASKARI VILLAS NO. 7, SARWAR SHAHEED ROAD, NEAR RAHAT BAKERS, LAHORE	1-OMER FAROOQ 2-FAROOQ AHMAD KHAN	1-35201-3225687-3 2-35201-4848795-7	1-FAROOQ 2-ABDUL MAJID KHAN	44,144	143,325	-	187,469	-	143,325	-	143,325
2	Evin Chemicals Corporation	959-NAQSHBAND COLONY, RASHEEDABAD, MULTAN	1-MIAN MANZOOR AHMED 2-CH. TAUJEEB AHMED 3-MUHAMMAD LATIF 4-MUHAMMAD HANIF TARIQ	1-36603-0346108-3 2-36302-2784093-9 3-35201-8390365-9 4-31205-3464301-9	1-CHIRAGH DIN 2-BASHIR AHMED 3-NAZIR AHMED 4-NAZIR AHMED	-	102,112	-	102,112	-	102,112	-	102,112
3	Ajmal Rice Traders	SHOP NO 58-59, NEW GHALLA MANDI, OPPOSITE DOMORIA PULL LAHORE	SHEKH MUHAMMAD AJMAL	35202-4690066-5	MUHAMMAD ANWAR	-	7,833	-	7,833	-	7,833	-	7,833
4	Mian Plastic Industry	REHMAT COLONY WANDALA ROAD SHAHDARA LAHORE	MUHAMMAD YAHYA	35202-2745395-7	ABDUL AZIZ	-	2,429	-	2,429	-	1,929	-	1,929
5	Jhelum Foods	1ST FLOOR SURWAY BUILDING, G.T. ROAD RATHIAN, JHELM	QASIM MEHMOOD	37301-2205749-1	AZZ UR REHMAN	6,833	4,114	-	10,947	-	4,193	-	4,193
6	Suzuki Saitok Motor	CHOWK DUBURJI MALLIAN, DASKA ROAD, SIALKOT	SULTAN MAHMOOD	34601-1688338-3	ALPHA RAKHA	110,647	265,609	-	376,256	-	238,836	-	238,836
7	J A Textile Mills Ltd.	JK HOUSE, 32-W, SUSAN ROAD, MADINA TOWN, FAISALABAD	1-LIAQAT ALI 2-MUHAMMAD ANWAR UL HAQ 3-MS. QURATULAIN ZAHID 4-MUHAMMAD ALI 5-ZAHID ANWAR 6-IMRAN ZAHID 7-RIAZ AHMED	1-33100-0279691-9 2-33101-1691643-9 3-33100-0663808-2 4-33100-0698580-3 5-33100-069854-5 6-33100-069858-5 7-33100-7382121-5	1-MUHAMMAD SHARIF 2-SHUKAR DIN JANJUA 3-ZAHID ANWAR 4-MUHAMMAD NAWAZ 5-HAJI ANWAR ELAHI 6-ZAHID ANWAR 7-FAZAL HUSSAIN	40,000	94,375	-	134,375	-	88,830	-	88,830
8	Al-Anneen Construction (Pvt) Limited	F/3, 22-A, NATIONAL, HOMES, NEW MUSLIM TOWN, LAHORE	1-AZEZ KHAWAJA 2-KHAID WAHEED KHAWAJA 3-MANSOOR AKHTAR KHAN	1-276-46-062175 2-266-93-051215 3-270-61-124302	1-KHAID WAHEED KHAWAJA 2-MUHAMMAD AMIN KHAWAJA 3-WAHEED AKHTAR KHAN	-	50,307	-	50,307	-	50,107	-	50,107
9	Ali Textiles	4-KM Jaranwala Road, Khurian Wala, FAISALABAD	MUNIR AHMED	33100-8668851-9	KHAUL AHMED	65,000	22,448	-	87,448	-	19,473	-	19,473
10	Tauqir Brothers (Pvt) Ltd	JANDA ROAD MEHMOOD BOTIBUND ROAD LAHORE	1-MUHAMMAD TANVEER ANJUM 2-SHAZIA TANVEER 3-MUHAMMAD UNAIR TAUQIR 4-RUKHSANA TAUSEEF 5-SUMAIRA TAUJEEB 6-MUHAMMAD TAUSEEF	1-35201-2487953-9 2-35202-1079495-6 3-35202-4091724-1 4-35202-4981269-0 5-35202-4982314-0 6-35202-9867986-7	1- MUHAMMAD IBRAHIM 2- TANVEER ANJUM 3- MUHAMMAD TAUJEEB 4- MUHAMMAD TAUSEEF 5- MUHAMMAD TAUJEEB 6- MUHAMMAD IBRAHIM	105,884	80,742	-	186,626	-	72,425	-	72,425
11	Riaz Hussain Shah	HOUSE 619 SCHEME III, ASKARI ROAD CHAKLA LA RAWALPINDI	RIAZ HUSSAIN SHAH	37405-1076348-5	SYED DILAWAR HUSSAIN	2,674	9,781	-	12,455	-	9,781	-	9,781
12	Al-Azz Batters	22- Amir Colony, OKARA	MUHAMMAD AJMAL AZIZ	35302-1077883-7	MIAN WAJID ALI	100	6,786	-	6,886	-	5,521	-	5,521
13	5 Star Packages	INDUSTRIAL ESTATE LINK ROAD- MULTAN	1-ANILA ALI 2-SYED FAITH ALI GARDEZI	1-36302-6891291-2 2-36302-9004469-9	1-SYED FATEH ALI GARDEZI 2-SYED HAMID SHAH GARDEZI	2,500	2,643	-	5,143	-	1,690	-	1,690

Annexure I to the Consolidated Financial Statements

S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Principal	Profit / Return	Others	Total (7+8+9)	Principal written-off	Profit / Return written-off	Other Financial Reliefs provided	Total (11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Rupees '000													
14	IMS Aman Traders	1766MASJID SATYANA RD FS FAREED ABAD COLONY DERA GHAZI KHAN	MUHAMMAD SABIR FIDA	32102-9228684-9	MAJIK FIDA HUSSAIN	2,496	4,176	-	6,672	-	4,327	-	4,327
15	New Horizon International	SUIT NO 41ST FLOOR TWIN CITY CENTRE I-8 ISLAMABAD	1-YOUSAF FAREED 2-Naveed Ahmed 3-Khwar FAREED 4-saeed FAREED	1-36302-4310807-3 2-36302-4654156-1 3-36302-7048586-7 4-36302-7712380-7	1-GHULAM FAREED 2-GHULAM FAREED 3-GHULAM FAREED 4-GHULAM FAREED	4,450	11,882	-	16,332	-	10,832	-	10,832
16	Sonica Auto Industries Pvt Ltd	Near Hamza Flour Millspondi bypass GUJRANWALA	1-SHAHID MEHMOOD 2-MUHAMMAD WAQAR 3-MUHAMMAD NADEEM 4-MAQSOOD AHMED 5- MUNWAR HUSSAIN	1-34101-3605909-7 2-34101-4307868-1 3-34101-5739300-7 4-34101-9337804-5 5-34101-9475292-7	1- MUHAMMAD ALI 2- MUHAMMAD ALI 3- MUHAMMAD ALI 4- MUHAMMAD ALI 5- MUHAMMAD ALI	-	2,198	-	2,198	-	1,771	-	1,771
17	Sonica Plastic Industry	GT ROAD NEAR PINDIBAY PASS GUJRANWALA	1-MUHAMMAD NAEEM 2-MAQSOOD AHMED 3-MUNAWAR HUSSAIN	1-34101-8085093-5 2-34101-9337804-5 3-34101-9475292-7	1-MUHAMMAD ALI 2-MUHAMMAD ALI 3-MUHAMMAD ALI	11,519	14,496	-	26,015	-	12,574	-	12,574
18	Fayyaz Trolley Makers	POSTI DAKHANA Nagar PO Deera Bakha, MILLS BAHAWALPUR	FAYYAZ AHMED	31202-0224987-7	ALLAH WASAYA	2,496	2,345	-	4,841	-	1,918	-	1,918
19	IMS Karam Wire Industries	Rehman Shaheed Road, GUJRAT	QADEER ANJUM KHAN	34201-9229875-1	MIAN KHAN	-	11,647	-	11,647	-	10,992	-	10,992
20	Pakistan Freight Plus	SAAD BUILDING OFFICE NO.5 OPP SHAHEEN CARGO COMPLEX JILLANABD RAWALPINDI	1-MOHAMMAD SHAKIL 2-KHALIL AHMED 3-FAIZ RASOOL 4-ZAHOR AHMAD	1-300-99-231525 2-37405-2867159-7 3-37405-8318717-5 4-81302-5798255-7	1-MUHAMMAD HANIF 2-MUHAMMAD HANIF 3-MUHAMMAD ASLAM 4-MUHAMMAD LATIF	-	3,685	-	3,685	-	2,585	-	2,585
21	Hameed Sons	OFFICE NO.45 NEW GRAIN MARKET FAISALABAD ROAD CHINOT	1-KHALIL AHMAD 2-MUHAMMAD AQEEL 3-MUHAMMAD SHAKEEL	1-33201-0346758-9 2-33201-1550154-7 3-33201-1550161-9	1-ABDUL HAMEED 2-ABDUL HAMEED 3-ABDUL HAMEED	7,497	7,152	-	14,649	-	8,038	-	8,038
22	Asghar Agro Services	Basement No.332 Civic Center Johar Town LAHORE	1-AFTAB ASGHAR 2-ASGHAR ALI BAJWA	1-35202-0741050-7 2-35202-9729886-9	1-ASGHAR ALI BAJWA 2-CHAUDHRY REHMAN ALI	14,981	22,106	-	37,087	-	20,810	-	20,810
23	Asifiaq Harneed Khan	H.NO. 615 SECTOR A-1TOWN SHIP TEHSIL LAHORE CITY LAHORE	ASHFAQ HAMEED KHAN	35202-6875738-9	ABDUL HAMEED KHAN	409	14,051	-	14,460	-	11,568	-	11,568
24	Hamad Sikandar Rice Mills	6 K.M FRAWIND ROAD, WANGA MANDI LAHORE	1-HAFEEZ BEGUM 2-KARAMAT ALI	1-33100-68115023-4 2-35202-1789732-1	1-MUHAMMAD RASHEED 2-MUHAMMAD HANIF	10,989	15,579	-	26,578	-	12,829	-	12,829
25	Crown Property Center	JALAL CHEEMA COLONY, QAMAR SIALVI ROAD ROAD GUJRAT	MUHAMMAD MUZAFFAR	34201-1927080-9	MUHAMMAD NASRULLAH	8,993	9,261	-	18,254	-	7,070	-	7,070
26	New Lahore Motors	Suite No. 3, 2nd Floor, Al Marii, 7-E, Main Market, Gulberg, Lahore	1-MUHAMMAD YAQOUB TOOR 2-NASRULLAH	1-35202-0744857-5 2-35202-7648826-7	1-FAOIR MUHAMMAD TOOR 2-MUHAMMAD BOOTA	2,111	1,316	-	3,427	-	1,096	-	1,096
27	Stara Peroxide Limited	601/602 BUSINESS CENTRE MUMTAZ HASSAN ROAD KARACHI	1-SHARMEEN IMRAN 2-IMRAN GHAFOR 3-SAOIB ANJUM 4- SAIB BIN SAEED 5- JUNAD MAKDA 6- YASIR AHMED AWAN 7- HAROON AHMED ZUBERI	1-33100-7986578-0 2-33100-8871999-3 3-35202-1782302-1 4-37405-0657351-3 5-42201-6409408-9 6- 42201-6716227-5 7- 42301-4917502-1	1- IMRAN GHAFOR 2- HAJI ABDUL GHAFOR 3- ANJUM NISAR 4- SHEIKH MUHAMMAD SAEED 5- ISMAIL 6- MIR MUHAMMAD AWAN 7- MUSTAFA AHMED ZUBERI	8,917	37,943	-	46,860	-	35,611	-	35,611

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S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Principal	Profit / Return	Others	Total (7+8+9)	Principal written-off	Profit / Return written-off	Other Financial Reliefs provided	Total (11+12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Rupees '000													
28	Saleem Traders (Prop Arif Hussain)	House No. 240, Muradabad Colony, Chak 47 NB, SARGHODA	ARIF HUSSAIN	38403-2165538-3	NAZIR AHMAD	799	1,127	-	1,926	-	1,164	-	1,164
29	Diamond Hardware Store	H.NO P-1548-A, ASGHAR MALL SCHEME, RAWALPINDI	SHEKH RASHID SAIFI	37405-9106788-1	SHEKH SAIF UD DIN	4,477	1,761	-	6,238	-	2,034	-	2,034
30	S.N.K Enterprises	OFFICE NO 4 SECOND FLOOR CITY CENTER F-7 ISLAMABAD	1-NASIM AKHTAR GILLANI 2-JAVED AKHTAR 3-JAWAD RAFIQ HAIDER 4- KHALID RASHID	1-35302-1930223-8 2-37405-382397-4-9 3- 61101-1880999-1 4- 61101-1928204-3	1-MALIK MANZOOR HUSSAIN 2-FAZAL DAD 3- MUHAMMAD RAFIQ HAIDER 4- MUHAMMAD RASHID SIDDIQUI	-	10,203	37	10,240	-	8,540	-	8,540
31	Nawaz Food Industries (Pvt)Ltd	43 GST 7G-10/1 ISLAMABAD	1-MUHAMMAD RAFIQ BHOJANI 2-ZAIN ABBAS	1-42301-5826754-5 2-42301-8731139-5	1-SULEMAN 2-MUHAMMAD RAFIQ	-	13,110	-	13,110	-	10,110	-	10,110
32	M.A. & Brothers	243 SHERE RABBANI TOWN OKARA	MUNIR AHMED	35502-1874634-9	HAJI ILAM DIN	3,464	8,046	-	11,510	-	4,897	-	4,897
33	Easy Wear Industries	DEFENCE ROAD RAILWAY CROSSING CHOWK SHAHTAB PURA SIALKOT	1-MUHAMMAD AKBAR 2-MUHAMMAD IQBAL 3- MUHAMMAD YOUNAS 4- MUHAMMAD ASGHAR	1-34603-3881554-3 2-34603-4856460-3 3-34603-8648107-1 4-34603-9633159-5	1-NOOR HUSSAIN 2-NOOR HUSSAIN 3-NOOR HUSSAIN 4-NOOR HUSSAIN	822	1,624	-	2,446	-	1,778	-	1,778
34	Rana Zahid Hameed & Khalida Rana	MOHALLAH KANGNI WALA GUJRAWALA	RAMA ZAHID HAMEED KHALIDA RAMA	1-34101-3735474-7 2-34101-6242230-6	RAMA ABDUL HAMEED RAMA ZAHID HAMEED	520	2,577	-	3,097	-	2,629	-	2,629
35	Mohammad Ali Abbas Kharal	H.NO. 216 STREET 22KH-E IQBAL DEFENCE HOUSING AUTHORITY PHASE-8KARACHI	MOHAMMAD ALI ABBAS KHARAL	42301-1457508-3	M ALI SHAHZAD KHARRAL	7,800	536	12,797	21,133	-	13,332	-	13,332
36	Raey Shahadat Ali Shad	FLAT NO 129-ABLOCK N, MODEL TOWN EXTENSION, LAHORE	RAEY SHAHADAT ALI SHAD	35402-7633490-1	RAEY SOHAWA KHAN	1,000	2,241	-	3,241	-	1,990	-	1,990
37	Iram Naz	VILLAGE SONO KHAN LASHARI, DEH BAKHSHO LASHARI, HYDERABAD	IRAM NAZ	41303-5630181-0	GHULAM MUSTAFA LASHARI	1,000	160	1,579	2,739	-	1,639	-	1,639
38	Ali Nawaz Mari	ALI NAWAZ MARIMARI HOUSE, H NO 148, MOH KHAN RD, JHELMUM	ALI NAWAZ MARI	42201-9513510-1	MANTHAR WARI	-	32	1,086	1,118	-	1,118	-	1,118
39	Muhammad Ali	GOTH WALI MUHAMMAD MANGRIO DEH DHARORO II, TEHSIL SINDHRI, DISTRICT MIRPUR KHAS	MUHAMMAD ALI	44103-6263258-7	WALI MUHAMMAD MANGRIO	-	-	2,356	2,356	-	2,356	-	2,356
40	Sajid Ali Khan	MOUZA RASHEEDPUR, TEHSIL 18-HAZARI, DISTRICT JHANG	SAJID ALI KHAN	33202-1410288-1	MUHAMMAD NAWAZ KHAN	-	4,835	-	4,835	-	4,233	-	4,233
41	Malik Muhammad Iqbal Jati	Chah Beni Wala Mouza Thathi Samia, PO Khas Tehsil & District Lodhran	MALIK MUHAMMAD IQBAL JATIAL	36203-7887250-1	MALIK KHUDA BAKHSH	2,500	628	13,747	16,875	-	14,125	-	14,125
42	Muhammad Saif Mangrio	GOTH HAJI MEHRAN MANGRIO GHARO SHARIF TEHSIL KHIPRO DISTRICT SANGHAR	MUHAMMAD SAHIL MANGRIO	44202-6673642-3	MUNIR MEHRAN MANGRIO	948	72	1,545	2,565	-	1,266	-	1,266
43	Kashif Ghani Memon	FLAT NO. B/508, BLOCK 8, CLIFTON, KARACHI	KASHIF GHANI MEMON	41405-3074778-9	ABDUL GHANI MEMON	1,920	241	5,446	7,607	-	4,686	-	4,686

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						Principal	Profit / Return	Others	Total (7+8+9)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Rupees '000														
44	Rehman	GHOT MUHAMMAD JAM MANGRIO DEH 71MIRPUR KHAS	REHMAN	44205-2128714-1	M JAM	436	43	757	1,236	-	692	-	692	
45	Mir Mushtaq Ali Talpur	BANGLOW NO# 65/3S, TREET NO. 34 KHAYABANE BADDER, DHA, KARACHI	MIR MUSHTAQE ALI TALPUR	41307-6605807-3	MIR INAYAT ALI TALPUR	3,993	5,961	-	9,954	-	4,525	-	4,525	
46	Mian Khalid Mustafat Makwal	H 149- SECTOR-MOHALLAD-H 149- SECTOR--MIRPUR KHAS	MIAN KHALID MUSTAFA MAKWAL	32304-1565219-3	MUHAMMAD MURTAZA	2,499	3,631	-	6,130	-	3,255	-	3,255	
47	Muhammed Khan	GOTH ABDUL WAHIDPARAS, DAK KHANA KHIPARO-KIMARO TEHSIL KHIPRO-DISTRICT SANGHAR	MUHAMMAD KHAN	44202-7945599-1	KHAIR MUHAMMAD	1,818	1,756	-	3,574	-	925	-	925	
48	Muhammed Siddique	VILLAGE PO KHOJIANHAN WALA CHAK #8; TEGUJRAT	MUHAMMAD SIDDIQUE	34201-1646204-9	ALLAH DITTA	-	-	1,070	1,070	-	1,070	-	1,070	
49	Attia Naz	Sultan pur Mela, JAM MANGRIO DEH 71Distt. Sargodha SARGHODA	ATTIA NAZ	38401-0230688-6	ASGHAR HAMEED	653	2,838	-	3,491	-	2,013	-	2,013	
50	Malik Irfan Ahmed	CHAK-238 GB PATSHAH KAWALIA FAISALABAD FAISALABAD	MAUK IRFAN AHMED	33104-0215245-5	MAUK M SAEED	1,433	122	2,074	3,629	-	1,429	-	1,429	
51	Usman Hameed Mela	H.NO 113/3MAHAR BURRIROAD, SARGHODA	USMAN HAMEED MELA	38401-0267433-3	ASGHAR HAMEED MELA	2,040	3,312	-	5,352	-	2,678	-	2,678	
52	Muhammed Siddique	15 IQBAL STREET 15 MULTAN	MUHAMMAD SADIQUE	36303-2164459-7	CH MUHAMMAD ISMAIL	-	19	1,124	1,143	-	841	-	841	
53	Asad Ali Shah & Insan Ali Shah	PO KHASKHUTYALA VIRKANTEHSIL MURIDKE DISTRICT SHEKHUPURA	1-ASAD ALI SHAH 2-AHSAN ALI SHAH	1-35401-1854306-5 2-35401-1854306-7	1-AHSAN ALI SHAH 2-QARBAN ALI SHAH	850	1,562	-	2,412	-	1,351	-	1,351	
54	Afzal Naveed	P-15 ST#2 AL FIST NO. 9 FAISALABAD	AFZAL NAVEED	33100-1019725-1	CH ASGHAR GILL	1,000	148	1,978	3,126	-	1,626	-	1,626	
55	Chaudhary Nizam Din And Co	HOLI FAMILY ROADA MANDI PAKPATTAN 045732374 0 PAK PATTAN	CHAUDHRY LIAQAT ALI	36402-9033239-1	CH NIZAM UD DIN	3,497	4,171	-	7,668	-	3,961	-	3,961	
56	Anjad Farooq & Sultan Mehmood	SULTAN MEHMOOD PO KHAS#295 JB DEVIDAS PUR P.O SAME TOBA TEK SINGH	SULTAN MEHMOOD	33303-3122909-9	MANZOOR AHMED	3,789	6,371	-	10,160	-	5,491	-	5,491	
57	Malik Poultry Farms	H.NO 343 H-1MARI HOUSE TOWN LAHORE	MAUK WAQAR AHMAD AZIZ	37404-0261760-5	Aziz Ahmed Khan	1,200	66	2,598	3,864	-	2,364	-	2,364	
58	Sharazad Mangrio	HOUSE NO.18/SNEAR NOHANI BUILDINGPARO LAL CHANDABAD MIRPUR KHAS	SHAHZAD MANGRIO	44103-2535218-3	WALI MUHAMMAD	6,500	785	10,372	17,657	-	10,158	-	10,158	
59	Muhammed Alam	KOT MAGHANHALPOTO KHIPLO TAPAL GHARGIRHORE SHARIF SANGHAR	MUHAMMAD ALAM	44202-9813900-9	HAJI MUHAMMAD	1,354	163	1,884	3,401	-	1,559	-	1,559	
60	Rehman Afridi	MOUZA AND VILLAGE SHAREEKEERABAD ABER PESHAWAR	REHMAN AFRIDI	22501-3471777-7	NIAMAT KHAN	-	15	939	954	-	854	-	854	
61	Syed Shah Zaman Shah	10W # 19 HAPPY HOME PHASE 11 QASIMABAD HYDERABAD HYDERABAD	SYED SHAH ZAMAN SHAH	41306-3845455-1	SYED AHMED SHAH	3,504	603	13,661	17,768	-	13,264	-	13,264	

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S. No.	Name of the borrower	Address	Name of Individuals / Partners/Directors	CNIC	Father's / Husband's Name	Outstanding Liabilities at beginning of year					Principal Return written-off	Profit / Return written-off	Other Financial Reliefs provided	Total
						Principal	Profit / Return	Others	Total (7+8+9)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Rupees '000														
62	Awais And Co Commission Agents	NADIR SHAH BAZAR HOUSE NO 198 JAMIA STREET BAHAWALNAGAR	MUHAMMAD ARSHAD	31101-8718714-1	MUHAMMAD SABIR	3,568	1,118	12	4,688	-	1,068	-	1,068	
63	Adnan Liaqat Wirk	HOEKEY P.O SAME HOEKEY TEHSIL AND DIST. SHEKHUPURA	ADNAN LIAQAT WIRK	35404-0533479-7	MIAN LIAQAT HAYAT	-	153	601	754	-	634	-	634	
64	Muhammad Ayyaz Kalroo Rahim Baksh Kai	CHAH LASHKAR KHANWALA MOUZA BUTCH MUBARAK PO SURAJ MIANI TEHSIL AND DISTRICT MULTAN	MALIK AYAZ KALROO	36303-763484-5	MALIK RAHIN BUKSH	801	18	1,726	2,545	-	1,219	-	1,219	
65	Inayat Ullah Khan Gopang	MOUZA KOTLA SHERMUHAMMAD, PO MEHRAYTEHSIL & DISTT. RAJANPUR	INAYAT ULLAH KHAN GOPANG	32403-9887721-1	DUR MUHAMMAD KHAN GOPANG	2,583	196	1,207	3,986	-	1,186	-	1,186	
66	Zulfiqar Ali & Allan Yar Khan Ss/O Qutab Ali	CHAK NO 608 CHAK NO 608 CHAK NO 608 FAISALABAD	ZULFIQAR ALI	33106-2549734-5	QUTAB ALI	-	-	1,896	1,896	-	1,846	-	1,846	
67	Paragon Technologies	HOUSE NO 134 B MOHALLAH VALENCIA TOWN LAHORE	MUMTAZ AHMAD CHAUDHARY	35202-1502310-1	CHAUDHARY BASHIR AHMAD	6,331	1,676	-	8,007	-	1,257	-	1,257	
68	Malik Muhammad Siddique	BASTI GANJAY MOCHIAN WAHI SHAH MUHAMMAD PO NOOR PURI NORANGA BAHAWALPUR	MUHAMMAD SIDDIQUE	31202-0317876-1	MALIK KHUDA BAKHSH	1,146	-	2,219	3,365	-	2,065	-	2,065	
69	Hafeez Protein Farm	MAUZAFAT UWANA SAE DI OKARA	1-ABDUL RASHEED 2-MUHAMMAD NAZIR	1-35302-3028922-7 2-35302-9258152-5	1-GHAFOOR AHMAD 2-ABDUL GHAFOOR	169	-	2,652	2,821	-	2,321	-	2,321	
70	Ali Hameed S/O Chaudhary Abdul Hameed	CHAK NO 4 B.CCHAK NO 4 B.CCHAK NO 4.B.C Bahawalpur	ALI HAMEED	31202-3034249-7	CH. ABDUL HAMEED	1,278	78	1,366	2,722	-	1,221	-	1,221	
71	Mian Maqbool Ahmed Nasir	CHAK NO 38 J.B. TEHSIL AND DISTT FAO FAISALABAD	MIAN MAQBOOL AHMED NASIR	33100-1737871-5	GULAM MUHAMMAD	2,853	-	4,378	7,231	-	3,737	-	3,737	
72	Bell Force Engineers	House No. 46 Railway Housing Society Latifabad No. 3 HYDERABAD	SHUAHAT ALI	41304-1839214-5	WAJAHAT ALI KHAN	10,818	11,937	-	22,755	-	12,061	-	12,061	
73	Al- Tajir Co. (Pvt) Ltd.	703 BUSINESS & FINANCE II CHUNDRIGAR KARACHI	1-KHURRAM BURNLEY 2-SYED SHAMS AHMED BURNLEY 3-SHOAB AHMED BURNLEY 4-MUHAMMAD TAYYAB	1-42201-1320894-7 2-42201-1933877-1 3-42201-7996796-5 4-54201-2441034-9	1-SYED MUKHTAR AHMED BURNLEY 2-SYED MUKHTAR AHMED BURNLEY 3-SYED MUKHTAR AHMED BURNLEY 4-MUHAMMAD TAHIR	6,218	3,361	-	9,579	-	3,361	-	3,361	
74	Classic Denim Mills (Pvt) Ltd	PLOT 14, SECTOR-20, KORANGI INDUSTRIAL AREA, KARACHI	1-SALEEM AHMED 2-SHAHZAD HAROON 3- VASHDEV RAKHANI	1-42000-4730399-9 2-42301-1065237-5 3-42301-7832646-3	1-MOHAMMAD IBRAHIM AHMED 2-MOHAMMAD HAROON 3- NENO MAAL	34,113	2,967	27,427	64,507	16,613	30,393	-	47,006	
75	Farooqi Fisheries	D-27 S.I.T.E, NORTH KARACHI, K.D.A SCHEME NO.33, KARACHI	1-HASSAN AHMED FAROOQUI 2-MOHAMMAD AHMED FAROOQUI	1-42201-2362383-7 2-42201-9748292-3	1-GHULAM RABBANI 2-GHULAM RABBANI	21,697	47,501	41,340	110,538	-	79,012	-	79,012	

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						Principal	Profit / Return	Others	Total (7+8+9)				
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Rupees '000													
76	Zeeshaan Babar Khan	H No R-8/49 Bk 19 Fb Area Al Noor Society Khl Near Noor Hospital Khl Karachi	Zeeshaan Babar Khan	42101-6183673-7	MASHA ALLAH KHAN	530	37	4	571	530	37	4	571
77	Qaiser Abbas	Chak Kanday Wala P/O Ko T Chutia Mohmori Dg Khan Dera-Ghaz-Khan	Qaiser Abbas	32102-0394811-3	MUHAMMAD BUKHSH	484	39	5	528	484	39	5	528
78	Kaleem Akhtar	Office No#201 & 202, 2ND Floor A.R.K Business Center, Block C, Faysal Town F Islamabad	Kaleem Akhtar	35201-5815098-7	MIRZA MUHAMMAD RAMZAN	666	33	4	703	666	87	4	757
79	Muhtd Asad Rafique	House No. 8/2/A, Street 18, Dha Phase 5, Off Khayaban-E- Tauheed,, Karachi	Muhtd Asad Rafique	42201-4394863-5	MUHTD RAFIQUE CHOUDHARY	526	-	11	537	-	170	390	550
80	Nasir Ishaq Khan	PROPERTY BEARING KHEWAT # 402, KHATOONI # 706, KHASRA NO. 639 TO 645, QITAT 7, TOTL MEASURING 46-KANAL & 14-MARLA, SHARE TRANSFERRED 5934 IE 05-MARLA, STAUTED AT NEW LAL PURA, CHAPARD AREA, SHAKARGARH, DISTRICT NAROWAL.	Nasir Ishaq Khan	56302-8809790-9	MUHAMMAD ISHAQ KHAN	1,976	608	-	2,584	-	851	-	851
81	Khizer Ahmed	OFF#206 2ND FLR HORIZON TOWER BLK-3 KHAYBAN E SADIQJIFTON KHL	Khizer Ahmed	42201-0147294-7	MANZOOR AHMED	823	80	-	903	-	716	46	762
82	Jahanzeb Iqbal	Residential House Bearing Khewat No. 191, Khatooni No. 398 to 399, Salam Khata 132K-05-M, Segregated share 33/23805, Measuring 03-M 06-S, As per Register Haq Daran Zameen for the year 2008-09, Situated at moiza chak No. 168/10-R, Tehsil & District Khanewal.	Jahanzeb Iqbal	36103-3960443-1	MUHAMMAD IQBAL	3,480	206	-	3,686	-	3,480	-	3,480
83	Muhammad Saeed Anwar Awan	Lahore	Muhammad Saeed Anwar Awan	33100-9886196-5	Anwar Awan	-	-	-	-	-	1,575	116	1,691
84	Muhammad Saeed Anwar Awan	Lahore	Muhammad Saeed Anwar Awan	33100-9886196-5	Anwar Awan	-	-	-	-	-	796	134	930
85	Arslan Ahmed Khan	41 - b, green cfti burki rd near paragorn cfti, UPPER portion , LAHORE Punjab	Arslan Ahmed Khan	42201-0535469-3	ANWAR AHMED KHAN	625	-	-	625	806	-	-	806
86	Nadeem Ali Zaib Rizvi	HOUSE #579 AMIN TOWNGREEN VIEW HOUSING COLONYFAISALABAD.	Nadeem Ali Zaib Rizvi	33100-8660316-1	SYED AL TAF	-	-	-	-	-	4,811	122	4,933
						613,151	1,099,108	159,898	1,872,157	19,099	1,175,972	811	1,195,882

Other Information



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Management Committees

Senior Management Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Tanveer Khatri	Member & Secretary
Shuja Haider	Member
Syed Tahir Razavi	Member
Jaudat Hussain	Member
Abadullah	Member
Ali Waqar	Member
Mian Salman Ali	Member
Syed Muhammad Fraz Zaidi	Member
Monis Mirza	Member
Aneeq Malik	Member
Imran Saeed Chaudhry	Member
Muhammad Faisal Shaikh	Member
Syed Amin Ur Rehman	Member
Asim Jilani	Member

IT Steering Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Imran Saeed Chaudhary	Member
Tanveer Khatri	Member
Mian Salman Ali	Member
Muhammad Maad	Member
Muhammad Abadullah	Member
Muhammad Fahim	Secretary
Syed Muhammad Fraz Zaidi	Member
Syed Amin Ur Rehman	Member
Jaudat Hussain	Member

Asset & Liability Committee

Yousaf Hussain	Chairman
Shuja Haider	Secretary & Member
Jaudat Hussain	Member
Ali Waqar	Member
Mian Salman Ali	Member
Tanveer Khatri	Member
Sheraz Nasir	Member
Syed Tahir Rizavi	Member
Muhammad Faisal Shaikh	Member
Aneeq Malik	Member

Investment Committee

Yousaf Hussain	Chairman
Shuja Haider	Secretary & Member
Ali Waqar	Member
Tanveer Khatri	Member
Syed Tahir Rizavi	Member
Sheraz Nasir	Member
Mian Salman Ali	Member

Country Credit Committee

Yousaf Hussain	Chairman
Mian Salman Ali	Member & Secretary
Ali Waqar	Member
Jaudat Hussain	Member

Compliance & Fraud Risk Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Abadullah	Member & Secretary
Tanveer Khatri	Member
Mian Salman Ali	Member
Syed Muhammad Fraz Zaidi	Member
Jaudat Hussain	Member
Monis Mirza	Member

Enterprise Risk Management Committee

Yousaf Hussain	Chairman
Raheel Ijaz	Member
Shuja Haider	Member
Tanveer Khatri	Member
Mian Salman Ali	Member
Syed Muhammad Fraz Zaidi	Member
Abadullah	Member
Muhammad Maad	Member
Muhammad Faisal Shaikh	Member
Sheraz Nasir	Member & Secretary

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Terms & Conditions Apply



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faysalbank 

فیصل بینک



کمال تو ہوگا

جب ملیں سب سہولیات
ایک ہی اکاؤنٹ میں

اکاؤنٹ باکمال، فائدے بے مثال

فیصل اسلامی

باکمال
Bakamaal

کاروبار کرنٹ اکاؤنٹ



کن دیگر بینکنگ
سہولیات بالکل مفت



بزنس
ڈیبٹ کارڈ



QR
پیمینٹ



انٹرنیٹ بینکنگ
کیٹ وے



POS
مشین

Consumer Grievances Handling Mechanism

With the vision to 'Be the leading Islamic Bank in Pakistan', Faysal Bank believes in making continuous efforts towards enhancing Customer Experience across all touchpoints, such as but not limited to; branch banking, contact center, and digital channels. It is our differentiating edge to proactively anticipate our customers' needs and wants, and modify our model accordingly, to provide service going way above-and-beyond the customary

Faysal Bank believes in providing an impeccable experience to customers throughout the lifecycle: As part of our service excellence mandate, we have established pillars of visibility, accountability, customer feedback and grievance handling, which enable us to better empathize with the raw customer experience and put our efforts towards continuously enhancing it.

It is our priority to ensure that the Bank's conduct with its customers is fair and transparent, imparting awareness for informed decisions, in conformity with the excellence of committed standards. We have been consistently investing in state-of-art technology to further improve the Service Delivery & Digital Experience, and enable provisions to gauge key internal performance, where critical processes are measured, via a thorough optimization cycle.

To meet our pledge of rendering the best-in-class service, we have implemented the following initiatives resulting in optimal customer experience:

Consumer Protection Policy:

To increasingly consolidate customer centricity in the culture and dynamics of Faysal Bank, we have framed an extensive consumer protection policy, which outlines comprehensive guidelines for customer management throughout the customer journey and product lifecycle.

Voice of Customer Program:

The in-house Voice of Customer (VoC) programme enables us to capture customers' feedback, requirements and expectations via surveys and other strategic initiatives. The programme gathers customer feedback on all available customer touchpoints to capture customers' satisfaction level on the Bank's services/products/processes/digital offerings/brand equity/lifestyle, through telephonic interviews of our valued customers.

Service Standards Monitoring Spectrum:

The Bank has a robust process monitoring platform that spans across various products, channels including but not limited to Digital Channels, Branch Banking, Consumer Finance, Centralized Operations and support segments with an aim to identify gaps resulting in high turnaround times while driving efforts to meet our committed service standards.

Knowledge Initiatives:

Our knowledge enhancement programme is focused on increasing our staff awareness levels on products, processes, and customer handling techniques. To strengthen the best service mind-set, not only do we take the contemporary approach, but we also utilise mediums such as Service Snippets, Infograms, Online Portal, etc.

Process Optimization:

Process Optimization at Customer Experience, keeps in lens, all the facts and figures emanating from Complaint Management Unit, and the platforms mentioned above. Process optimization also yields strategies and plans to continuously evolve and improve the experience for our customers.

Complaint Management Unit:

The automated Complaint Resolution mechanism at Faysal Bank ensures due diligent complaint closures, while maintaining high FTC (Fair Treatment of Customers) standards.

In 2025, the Bank directly received a total of 124,226 complaints which were resolved in an average time of 4.5 working days. In addition, we at Faysal Bank conduct thorough root cause analysis to facilitate / drive continuous improvement in tandem with the business, and product management teams, via various avenues as elaborated above.

Customer Satisfaction Surveys:

At Faysal Bank, we conduct Customer Satisfaction Surveys from renowned vendors in order to get a validated external view on the customer experience aspect of various product suites.

Market Competition Scan:

With the resolve to understand the key drivers behind industry's best practices, both locally and internationally, Faysal Bank continuously carries out competitive scans on various service standards and process journeys.

Video Mystery Shopping Program:

We have a robust and unique Video Mystery Shopping Program (VMSP) which is conducted by an external, independent agency through concealed recording devices and objectively captures the realities of a customer's experience. Especially designed to capture a range of aesthetics and customer interactive elements, with the objective of identifying weak areas and to validate strengths.

This programme is a testament to our customer commitment where the Bank continuously seeks ways to improve the customer experience with a 360-degree view.

ہمارا پاکستان ریمپٹینس اکاؤنٹ بچت، بہترین سہولیات اور برکات کے ساتھ

آج ہی اپنے پیاروں سے بآسانی ریمپٹینس حاصل کریں

مفت دیٹ کارڈ

مفت صحت کارڈ

ریمپٹینس حاصل کرنے پر ملیں کیش بیک

اکسیڈینٹل ڈیٹھ کوریج

اور دیگر مفت اسلامک بینکنگ کی سہولیات



Combined Pattern of CDC and Physical Shareholding

as on December 31, 2025

S.#.	Categories of Shareholders	Number of Shareholders	Shares held	Percentage %
1.	Associated Companies, Undertakings and Related Parties Ithmaar Bank B.S.C Faisal Finance (Luxembourg) S.A. MFAI (Jersey) Limited MFAI (Jersey) Limited DMI (Jersey) Limited	5	729,367,723 129,830,225 38,995,485 50,365,166 64,915,110	66.78
2.	Directors, Chief Executive Officer, and their Spouse(s) and Minor Children Mian Muhammad Younis Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery Mr. Juma Hasan Ali Abul Mr. Imtiaz Ahmad Pervez Mr. Abdulelah Ebrahim Mohamed AlQasimi Mr. Ali Munir Ms. Fatima Asad Khan Mr. Mohsin Tariq Ms. Sadia Khan Mr. Mohamed Ahmed Bucheerei Mr. Yousaf Hussain- President & CEO	11	726 723 723 133,344 575 755 500 25,672,975 1,000 - -	1.70 - -
3	Executives/Employees	5	14,852	0.00
4	NIT and ICP	3	16,347	0.00
5	Banks, Development Financial Institutions, Non-Banking Financial Institutions	15	16,274,784	1.07
6	Insurance Companies	13	89,443,266	5.89
7	Modarabas and Mutual Funds	38	12,286,102	0.81
8	General Public a. Local b. Foreign	26,900 1261	230,873,223 26,099,950	15.21 1.72
9	Others a. Foreign Companies b. Joint Stock Companies c. Provident Funds, Pension Funds, Gratuity Funds and other entities	14 116 76	1,755,965 89,560,831 12,086,175	0.12 5.90 0.80
	Total	28,457	1,517,696,525	100.00
	Total Paid-up Capital	1,517,696,525 Shares		
	10% of the Paid-up Capital	151,769,652 Shares		
S.No.	Shareholders holding 10% or more Shares			
1	Ithmaar Bank B.S.C		729,367,723	48.06

Combined Pattern of CDC and Physical Shareholding

as on December 31, 2025

S.#.	Categories of Shareholders	Number of Shareholders	Shares held	Percentage %
1	Associated Companies, Undertakings and Related Parties	5	1,013,473,709	66.78
2	Directors, Chief Executive Officer and their Spouse(s) and Minor Children	11	25,811,321	1.70
3	Executives/ Employees	5	14,852	0.00
4	NIT and ICP	3	16,347	0.00
5	Banks, Development Financial Institutions, Non-Banking Financial Institutions	15	16,274,784	1.07
6	Insurance Companies	13	89,443,266	5.89
7	Modarabas and Mutual Funds	38	12,286,102	0.81
8	General Public a. Local b. Foreign	26,900 1,261	230,873,223 26,099,950	15.21 1.72
9	Others a. Foreign Companies b. Joint Stock Companies c. Provident Funds, Pension Funds, Gratuity Funds and other entities	14 116 76	1,755,965 89,560,831 12,086,175	0.12 5.90 0.80
	Total	28,457	1,517,696,525	100

Pattern of Shareholding

as on December 31, 2025

Number of Shareholders	Shareholding Slab			Total Shares Held	Number of Shareholders	Shareholding Slab			Total Shares Held
8398	1	to	100	288,803	5	245001	to	250000	1,246,582
8904	101	to	500	2,627,956	1	250001	to	255000	251,466
2948	501	to	1000	2,286,249	2	260001	to	265000	529,302
5451	1001	to	5000	13,901,267	2	265001	to	270000	534,044
1116	5001	to	10000	8,255,560	1	270001	to	275000	275,000
445	10001	to	15000	5,523,778	3	275001	to	280000	840,000
255	15001	to	20000	4,543,382	2	280001	to	285000	564,152
154	20001	to	25000	3,518,458	1	290001	to	295000	290,659
99	25001	to	30000	2,760,962	4	295001	to	300000	1,199,325
62	30001	to	35000	2,023,218	2	300001	to	305000	602,600
60	35001	to	40000	2,279,830	3	305001	to	310000	921,453
54	40001	to	45000	2,318,320	1	310001	to	315000	311,100
64	45001	to	50000	3,151,968	1	320001	to	325000	325,000
27	50001	to	55000	1,416,588	2	325001	to	330000	656,451
29	55001	to	60000	1,683,950	1	330001	to	335000	334,000
18	60001	to	65000	1,129,080	2	335001	to	340000	676,905
20	65001	to	70000	1,358,581	1	340001	to	345000	345,000
12	70001	to	75000	878,121	2	345001	to	350000	697,673
16	75001	to	80000	1,250,370	1	355001	to	360000	360,000
15	80001	to	85000	1,242,256	4	370001	to	375000	1,499,000
18	85001	to	90000	1,594,114	2	375001	to	380000	755,311
12	90001	to	95000	1,109,328	1	380001	to	385000	381,633
34	95001	to	100000	3,385,459	1	385001	to	390000	387,000
6	100001	to	105000	612,432	4	390001	to	395000	1,568,034
5	105001	to	110000	547,012	3	405001	to	410000	1,221,920
4	110001	to	115000	453,087	1	425001	to	430000	430,000
6	115001	to	120000	708,870	1	430001	to	435000	434,052
3	120001	to	125000	369,578	1	440001	to	445000	442,843
2	125001	to	130000	255,675	1	460001	to	465000	462,792
5	130001	to	135000	664,822	1	475001	to	480000	477,995
2	135001	to	140000	277,866	6	495001	to	500000	3,000,000
5	140001	to	145000	716,221	2	500001	to	505000	1,005,936
11	145001	to	150000	1,638,190	1	515001	to	520000	516,262
2	155001	to	160000	318,392	3	545001	to	550000	1,644,188
3	160001	to	165000	489,713	1	550001	to	555000	555,000
4	165001	to	170000	669,111	1	585001	to	590000	588,000
2	170001	to	175000	349,000	1	590001	to	595000	590,541
6	175001	to	180000	1,066,224	2	600001	to	605000	1,210,000
1	180001	to	185000	183,777	1	605001	to	610000	607,739
3	185001	to	190000	564,889	1	610001	to	615000	610,215
3	190001	to	195000	575,258	1	645001	to	650000	646,818
18	195001	to	200000	3,588,405	3	665001	to	670000	2,003,893
3	200001	to	205000	606,604	1	675001	to	680000	679,530
1	205001	to	210000	205,861	1	695001	to	700000	700,000
3	210001	to	215000	640,041	1	710001	to	715000	713,000
1	215001	to	220000	220,000	1	730001	to	735000	730,520
3	225001	to	230000	684,235	1	745001	to	750000	750,000
2	230001	to	235000	466,000	1	750001	to	755000	750,358
4	240001	to	245000	963,611	1	770001	to	775000	774,812

Number of Shareholders	Shareholding Slab			Total Shares Held	Number of Shareholders	Shareholding Slab			Total Shares Held
1	775001	to	780000	779,506	1	2065001	to	2070000	2,069,211
1	780001	to	785000	783,000	1	2405001	to	2410000	2,408,337
2	785001	to	790000	1,575,013	1	2440001	to	2445000	2,442,500
1	795001	to	800000	800,000	1	2890001	to	2895000	2,890,047
1	805001	to	810000	806,268	1	3200001	to	3205000	3,204,539
1	830001	to	835000	835,000	1	3540001	to	3545000	3,543,320
1	935001	to	940000	935,039	1	4720001	to	4725000	4,724,429
1	945001	to	950000	950,000	1	5305001	to	5310000	5,308,816
1	950001	to	955000	951,566	1	6040001	to	6045000	6,043,633
1	995001	to	1000000	1,000,000	1	6090001	to	6095000	6,090,780
1	1005001	to	1010000	1,007,380	1	6425001	to	6430000	6,425,455
1	1245001	to	1250000	1,250,000	1	6700001	to	6705000	6,701,098
1	1280001	to	1285000	1,281,470	1	6895001	to	6900000	6,900,000
1	1300001	to	1305000	1,302,347	1	7085001	to	7090000	7,086,648
1	1340001	to	1345000	1,342,815	1	25670001	to	25675000	25,672,975
1	1390001	to	1395000	1,390,400	1	38995001	to	39000000	38,995,485
3	1495001	to	1500000	4,500,000	1	45935001	to	45940000	45,938,825
1	1505001	to	1510000	1,510,000	1	50365001	to	50370000	50,365,166
1	1530001	to	1535000	1,535,000	1	59470001	to	59475000	59,474,336
1	1695001	to	1700000	1,700,000	1	64915001	to	64920000	64,915,110
1	1875001	to	1880000	1,876,500	1	74410001	to	74415000	74,412,293
1	1915001	to	1920000	1,919,753	1	75365001	to	75370000	75,368,941
1	1995001	to	2000000	2,000,000	1	129830001	to	129835000	129,830,225
1	2020001	to	2025000	2,025,000	1	729365001	to	729370000	729,367,723
					28457				1,517,696,525

NOTICE OF THE THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting ("AGM") of Faysal Bank Limited ("FBL") will be held on March 26, 2026, at 10:00 a.m. at Zaver Hall, Pearl Continental Hotel, Club Road, Civil Lines, Karachi, to transact the following businesses:

Ordinary Business:

1. To confirm the Minutes of the 30th Annual General Meeting held on March 25, 2025.
2. To receive and adopt Unconsolidated & Consolidated Financial Statements and Statement of Compliance with Code of Corporate Governance of FBL for the year ended December 31, 2025, together with the Directors' and Auditors' Reports thereon.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the Financial Statements of the Bank for the year ended December 31, 2025, can be accessed through the following weblink and QR enabled code.



<https://www.faysalbank.com/investor-relations>

3. To consider and approve as recommended by the Board of Directors 20% Final Cash Dividend for the year ended December 31, 2025, in addition to 15% Interim Cash Dividend for the first quarter ended March 31, 2025, 15% Interim Cash Dividend for second quarter ended June 30, 2025, and 15% Interim Cash Dividend for third quarter ended September 30, 2025, already paid to the Shareholders.
4. To appoint External Auditors KPMG Taseer Hadi & Co., Chartered Accountants for the ensuing financial year 2026 at PKR 26,884,000/- (excluding sales tax and out of pocket expenses) of statutory audit, reviews, and certification fees.
5. Any other business with the permission of the Chair.

Special Business:

6. **To consider and approve the Amendments in the Directors Remuneration Policy for Non-Executive/Independent Directors of FBL for attending the Board and Sub-Committees Meetings, and revision in the scale of remuneration, and in that connection to pass the following resolution as Special Resolution, with or without modification, addition or deletion.**

"RESOLVED that in terms of the BPRD Circular Letter No. 24 dated December 12, 2025 by the State Bank of Pakistan, circulated with the Statement of Material Facts the amendments in the Directors Remuneration Policy of the Board of Directors of Faysal Bank Ltd., including the below mentioned revised scale of remuneration for attending board and committee meetings as recommended by the Board of Directors, be and hereby is approved.

For Board of Directors Meeting

All Directors including Board's Chairman – PKR: 1,200,000/-
Chairman of the Board will be entitled to an additional amount equivalent to 20%."

For all Committee Meetings

All Members, including Committee's Chair – PKR 1,200,000/-
Chairpersons of the Committees will be entitled to an additional amount equivalent to 20%."

7. **To consider and, if thought fit, to approve the issuance of Tier 2 Capital through issuance of redeemable capital, and in that connection to pass the following resolutions as Special Resolution, with or without modification, addition or deletion:**

“RESOLVED that the Bank, be and is hereby authorized to raise Tier 2 Capital through issuance of redeemable capital, in accordance with section 66 of the Companies Act, 2017, in the form of Shariah compliant Sukuk certificates, to be privately placed and / or subsequently listed pursuant to the Debt Securities Listing Regulations, up to the extent of PKR 7,000,000,000/- (Pak Rupees Seven Billion) inclusive of a green shoe option of up to PKR 2,000,000,000/- (Pak Rupees Two Billion) (the “Sukuk Issue”), to eligible institutional and other investors in terms of BPRD Circular Number 08 dated June 27, 2006 as amended vide BPRD Circular Number 06 of August 15, 2013 (as amended from time to time), read with all relevant rules, regulations, circulars and approvals of the State Bank of Pakistan (“SBP”), upon such terms and conditions as may be deemed appropriate by the authorized representatives of the Bank.”

“FURTHER RESOLVED that Mr. Yousaf Hussain (President and Chief Executive Officer) and Mr. Tanveer (Chief Financial Officer) of the Bank, be and are hereby jointly and severally authorized to take all steps, necessary, ancillary and incidental to the above, and are further authorized to sign, execute and deliver all necessary documents, agreements and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes abovementioned.”

8. **To consider and, if thought fit, approve conversion of the Sukuk Issue into ordinary shares of the Bank upon the occurrence of a conversion event as determined by the SBP, and in that connection to pass the following resolutions as Special Resolution, with or without modification, addition or deletion:**

“RESOLVED that in the event of conversion of the Sukuk Issue approved by the Board of Directors of the Bank, vide circulation on [January 15, 2026] and in accordance with requirements of the Instructions for Basel III Implementation in Pakistan, as issued pursuant to the circulars of the SBP (as may be amended from time to time), regarding loss absorbency, in the event the Sukuk Issue is converted into common shares upon the declaration by the SBP of the occurrence of a Point of Non-Viability event (“PONV”), such ordinary shares shall be issued other than by way of rights in accordance with the proviso provided under section 83(1)(b) of the Companies Act, 2017 (“Additional Shares”).

“RESOLVED that the issuance of such Additional Shares shall be based on the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP and shall be subject to a cap of 107,000,000/- (One Hundred Seven Million) additional ordinary shares being issued and shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with the applicable provisions of the Companies Act, 2017.”

“FURTHER RESOLVED that Mr. Yousaf Hussain (President and Chief Executive Officer) and Mr. Tanveer (Chief Financial Officer) of the Bank, be and are hereby jointly and severally authorized to take all steps, necessary, ancillary and incidental to the above, and are further authorized to sign, execute and deliver all necessary documents, agreements and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes abovementioned.”

Karachi dated: March 4, 2026

By the order of the Board

Aurangzeb Amin
 Company Secretary & Head of Legal

Notes:

1. The Share Transfer Books of the Bank shall remain closed from March 20, 2026, to March 26, 2026 (both days inclusive). Transfer received at the Share Registrar of the Bank, by the close of business on March 19, 2026, will be treated in time.
2. A member entitled to attend and vote at the Meeting may appoint another person as per his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Bank not later than 10:00 a.m. on March 24, 2026.
3. **Participation in the AGM through Video link:**
 The General Meeting is being conducted as per the guidelines circulated by SECP, following arrangements have also been made by the Bank to facilitate the maximum participation of the shareholders in the AGM through video link facility, either in-person or through appointed proxies:

The shareholders interested to participate through video link are requested to please provide below information at Email: cdcsr@cdcsrsl.com and WhatsApp No. 0321-8200864 at the earliest but not later than close of business on March 24, 2026.

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	Email ID	Mobile Phone No.
	Faysal Bank Limited				

Please note that video link and login credentials will be shared with only those members / designated proxies whose e-mail and other required information are received in required time as mentioned above.

- a) Video-link for the meeting will be sent to members at their email addresses provided enabling them to attend the meeting on the given date and time.
 - b) Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to log in and participate in the meeting proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.
 - c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM at least two (2) working days before the meeting, at the given email address cdcsr@cdcsrsl.com WhatsApp on 0321-8200864. Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.
 - d) Shareholders are encouraged to participate in the meeting to consolidate their attendance and participation through proxies.
4. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

B. For appointing proxies:

- i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
 - v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
5. Members are required to timely notify any change in their address to their respective CDC Participants (if shares are held electronically) or to the Share Registrar of the Bank (if shares are held in physical form) M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

6. Mandatory Requirement for Provision of IBAN and Valid CNIC for payment of Cash Dividend through Electronically:

In compliance with requirements of Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, the Company shall withhold dividend of those shareholders who have not yet provided correct and complete bank account details including valid IBAN of their respective bank accounts.

In order to receive cash dividend(s) withheld by the Bank as stated above, shareholders are requested to contact their Share Registrar at the above given address or their respective Participant / Investor Account Services of Central Depository Company of Pakistan (as the case may be) along with legible copy of their respective valid CNIC and provide their complete and correct bank account details including valid IBAN.

The Shareholders whose resident status is Non-Repatriable basis and who have Pakistan Origin Card / passport number will receive the dividends in their respective registered local IBAN account maintained in their folio / CDS Account subsequent to the initial payment run through Central Depository System or those whose resident status on 'Repatriable basis' maintained in Folio / CDS account will proceed in accordance with the SBP directives mentioned in Chapter 20 of the Foreign Exchange Manual.

It is also important to note that system errors or non-response on part of a shareholder's designated bank may also delay the dividend payment and in case of such delays shareholders are requested to contact the Company's Share Registrar.

Completion and correction of record:

Members are required to timely notify any change in their address to their respective CDC Participants (if shares are held electronically) or to the Share Registrar of the Bank (if shares are held in physical form) M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

7. Deduction of Withholding Tax:

Please note that the withholding tax will be deducted at the following rate based on "Active Taxpayer List" (ATL) available at FBR website:

1. Persons appearing in Active Taxpayers List:	15%
2. Persons not appearing in Active Taxpayers List:	30%.

Further, in case of joint shareholders, tax will be deducted as per their ratio/share (if any) intimated by the same to the Bank's Share Registrar, otherwise their shareholding treated as equal.

8. Requirement of Valid Tax Exemption Certificate for Claim of Exemption U/S 150 of the Income Tax Ordinance 2001:

If the FBL is available with valid exemption certificate issued u/s 159 of Income Tax Ordinance, 2001 or has filed a petition against the FBR for acquiring exemption certificate, in any relevant court, a copy of valid exemption certificate or certified true copy of the Stay Order of Honorable Court along with latest Court proceedings (if any) would be required latest by March 19, 2026 in lieu of valid exemption certificate for non-deducting of withholding tax. In case of non-availability of the same or Court Order, tax shall be deducted accordingly.

9. Deduction of Zakat on Dividend issue:

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/- each) under Zakat and Ushr Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat Declaration Form (CZ 50) under Zakat and Ushr Ordinance 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 to the Bank's Share Registrar. Shareholders who hold shares with participants / CDC are advised to provide the above Forms through the concerned brokers / CDC.

10. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended December 31, 2025 along with Auditor's and Director's Reports thereon on its website: www.faysalbank.com

11. Transmission of Financial Statements

The Securities and Exchange Commission of Pakistan vide SRO No. 389(1) / 2023 dated March 21, 2023, has allowed listed companies to circulate their Annual Audited Financial Statements, (i.e., annual audited Balance Sheet and Profit & Loss accounts, Auditors Report and Directors' Report) along with the notice of 31st AGM to be held on March 26, 2026, to its shareholders, through QR code and web link (as mentioned above).

However, hard copy of the same will be provided on demand and members desiring to avail this facility may provide the requisite information to the Company Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Further, the financial statements along with the notice of AGM may also be circulated through email by the Bank's Registrar. Please note that the required documents will be sent to the members on their registered email address only.

12. Deposit / Conversion of Physical Shares into Book-Entry Form:

The Securities and Exchange Commission of Pakistan ("SECP") through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised listed companies to adhere with the provision of the Section 72 of the Companies Act, 2017 (the "Act") requiring all the existing companies to replace shares issued by them in physical form with shares into Book-Entry form in a manner as may be specified and from the date notified by the SECP but not exceeding four (04) years from the date of the promulgation of the Act. Considering the aforesaid directive, FBL has also published a request on dated May 28, 2021 to ensure compliance with requirement of the Act and advised to open Investor Account directly with the Central Depository Company of Pakistan Limited ("CDC") or CDC-Sub-Account with any of the TREC Holder registered with Pakistan Stock Exchange Limited to place their physical shares into Book-Entry form. It will not only to secure the compliance of relevant rules and regulations but will also speed up the process of disbursement of entitlement to the respective shareholders.

13. Claiming of Unclaimed / Unpaid Dividends and Share Certificates:

In compliance of Section 244 of the companies Act 2017, the Bank has already requested through individual letters to shareholders who have not yet claimed their outstanding cash dividends/ bonus shares, Shareholders are once again requested to lodge their claims for cash dividends, right /bonus shares kept with the Share Registrar and Transfer Agent of the Bank. On the address given above.

14. Registration on CDC's e-Services Web Portal:

Central Depository Company (CDC) has developed Centralized Cash Dividend Register (CCDR), an e-Services web portal which contains details pertinent to cash dividend paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to shareholder by listed companies and access of all such information will be provided to the respective shareholders. The web portal will facilitate shareholders of listed companies in retrieving detail of cash dividends from CCDR and using the same for their record purposes. Shareholders may access CCDR via <https://csp.cdcaccess.com.pk> in addition, the Dividend / Zakat & Tax Deduction Report can also be obtained directly from Participant (Stock Broker) which has been provided to them on their CDS terminals. Moreover, shareholders may also receive copy of this report on their registered email addresses.

Prohibition of GIFTS

In compliance with section 185 of the Companies Act, 2017 and SRO 452(I)/2025 dated March 17, 2025 issued by SECP, it is hereby notified that no gifts in any form or manner, shall be distributed to shareholders at the Annual General Meeting.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESS

Agenda Item No. 6

To consider and approve Directors Remuneration Policy for Non-Executive/Independent Directors of FBL for attending the Board and Sub-Committees Meetings, which enumerates the scale of remuneration amongst other matters, and in that connection to pass the following resolution as Special Resolution, with or without modification, addition or deletion.

The Directors Remuneration Policy was initially approved by the shareholders in its 25th Annual General Meeting held on May 14, 2020, in compliance with the directions of the State Bank of Pakistan in BPRD Circular No. 03 dated August 17, 2019. Whereas the revision in the remuneration scale was last approved by the shareholders in 26th AGM held on March 29, 2021

SBP through BPRD Circular Letter No. 14 dated December 12, 2025, has revised the limits for the directors' remuneration for attending Board and Committee meetings. The said Circular allows the remuneration of PKR 1.2 million for attending the board and its committee meetings of the banks having asset size of PKR above 1.0 trillion or minimum PAT of 5 billion. Accordingly, it is stated that FBL meets both the criteria set by SBP.

In line with the above circular and keeping in view the overall economic and financial changes since March 2021 in the country which witnessed a massive decline in currency parity, a sharp price hikes / inflation, variation of policy rate and other challenges faced by the Banking industry resulted in eroding the directors' remuneration. Consequently, considering the same to be insufficient, the Regulator revised the directors' remuneration.

The BOD of FBL has specifically played very important role to meet these challenges including strategic direction, balance sheet footing/growth, and Profitability. Moreover, the bank was converted into a full-fledged Islamic bank, branch network was expended and a significant increase in profitability was achieved and asset size rose above PKR 1.8 trillion. Therefore, in view of the BPRD Circular Letter No. 14 of 2025, the Board of FBL, after deliberations, has recommended changes in the scale of remuneration paid to FBL's directors with immediate effect along with corresponding changes in Directors Remuneration Policy.

The changes in the Directors Remuneration Policy are given below:

Clause No.	Existing Text	Proposed Amended Text
1.	Objective 1.4. The Policy shall at all times remain in accordance with, and subject to, the provisions of BPRD Circular No. 03 of 2019 of the State Bank of Pakistan (" Circular ").	Objective 1.4 The Policy shall at all times remain in accordance with, and subject to, the provisions of Corporate Governance Regulatory Framework (CGFR) 2021 issued by the State Bank of Pakistan, including any subsequent revisions thereto or any other regulations as may be issued by the State Bank of Pakistan (SBP) from time to time.
2.	Remuneration of the Members of the Board of Directors 2.1 The Board, and never an individual member of the Board, shall, from time to time, determine and approve such level of remuneration for the members of the Board, for attending the meetings of the Board or the meetings of the committees thereof, as may be within the limits for such remuneration as prescribed by the State Bank of Pakistan ("SBP") and determined to be an adequate measure of remuneration for the performance of relevant duties by such members.	Remuneration of the Members of the Board of Directors 2.1 The Board, and never an individual member of the Board, shall, from time to time, determine and approve such level of remuneration for the members of the Board, for attending the meetings of the Board or the meetings of the committees thereof, as may be within the limits for such remuneration as prescribed by the SBP and determined to be an adequate measure of remuneration for the performance of relevant duties by such members.

Clause No.	Existing Text	Proposed Amended Text
3.	Remuneration of the members of the Committees of the Board of Directors 3.1. The Board shall, from time to time, determine and approve such level of remuneration for the members of the committees of the Board, for attending the meetings of such respective committees of the Board, as may be within the limits for such remuneration as prescribed by the State Bank of Pakistan ("SBP") and determined to be an adequate measure of remuneration by the Board.	Remuneration of the members of the Committees of the Board of Directors 3.1. The Board shall, from time to time, determine and approve the remuneration payable to the members of the Board / its committees for attending the meetings of Board & committees within the limits prescribed by "SBP" as deemed appropriate by the Board.
4.	Limits prescribed by the State Bank of Pakistan 4.2 As per the Circular those banks/DFIs which have above PKR 500 billion assets size or above PKR 1 billion after tax profit, (as per last audited annual accounts), which includes FBL, have a prescribed maximum limit of remuneration for a single board/ committee meeting up to PKR 800,000. Whilst, the Chairman of the Board or the Chairmen of committees may be paid an additional 20% keeping in the additional responsibilities and the work required at the said position.	Limits prescribed by the State Bank of Pakistan 4.2. As per the BPRD Circular Letter No. 24 of 2025 amending the provisions of CGRF PR G-14(14) (2) (v) the banks/DFIs which have above PKR 1 Trillion assets size or above PKR 5 billion after tax profit, (as per last audited annual accounts), which includes FBL, have a revised maximum limit of remuneration for a single board/ committee meeting up to PKR 1,200,000/-. Whilst, the Chairman of the Board or the Chairmen of committees may be paid an additional 20% keeping in the additional responsibilities and the work required in the said position or for other assignments given to the Board members.
	4.3 Accordingly, each director will be paid PKR 800,000/- for attending a board meeting and PKR 800,000/- for an attending committee meeting, and the Chairman Board and the Chairmen of the Committees will get 20% additional.	4.3 Accordingly, each director will be paid PKR 1,200,000/- for attending a board meeting and a committee meeting, and the Chairman Board and the Chairpersons of the Committees will get 20% additional remuneration.

Accordingly, the members are requested to consider and approve the amendments in the Board Remuneration Policy by adopting the below mentioned special resolution:

"RESOLVED that in terms of the BPRD Circular Letter No. 24 dated December 12, 2025 by the State Bank of Pakistan, circulated with the Statement of Material Facts the amendments in the Directors Remuneration Policy of the Board of Directors of Faysal Bank Ltd., including the below mentioned revised scale of remuneration for attending board and committee meetings as recommended by the Board of Directors, be and hereby is approved.

For Board of Directors Meeting

All Directors including Board's Chairman – PKR: 1,200,000/-

Chairman of the Board will be entitled to an additional amount equivalent to 20%."

For all Committee Meetings

All Members, including Committee's Chair – PKR 1,200,000/-

Chairpersons of the Committees will be entitled to an additional amount equivalent to 20%."

The below statements set out the material facts concerning the proposed resolutions contained in Agenda items (7) and (8) above of the notice pertaining to the special business to be transacted at the Annual General Meeting of the Bank schedule on March 26, 2026.

Issuance of Sukuk

On [December 11, 2025] the Board of Directors of the Bank resolved to raise Shariah compliant subordinated Tier 2 Mudarabah based sukuk certificates through issuance of redeemable capital under Section 66 of the Companies Act, 2017, in the amount of up to PKR 7,000,000,000/- (Pak Rupees Seven Billion) inclusive of a green shoe option of PKR 2,000,000,000/- (Pak Rupees Two Billion) (the "Sukuk Issue" or the "Sukuk") to eligible investors in terms of BPRD Circular Number 08 dated June 27, 2006 and as updated vide BPRD Circular Number 06 of August 15, 2013 (as amended from time to time), read with all relevant rules, regulations, circulars and approvals of State Bank of Pakistan ("SBP"). The Sukuk Issue is intended to contribute towards the Bank's Tier 2 Capital for Capital Adequacy Requirements as per the guidelines set by the SBP.

Conversion of Sukuk into Ordinary Shares of the Bank upon the occurrence of a conversion event as determined by the State Bank of Pakistan

As per the requirements of Basel III under the aforementioned circulars, the terms and conditions of the Sukuk must have a provision of "loss absorbency" for it to be qualified as a Tier 2 Capital instrument.

The relevant portion of the Basel III Circular relating to "loss absorbency" is reproduced below:
"A-5-3 Loss Absorbency of Non-Equity Capital Instruments at the Point of Non-Viability

- (i) The terms and conditions of all non-CET1 and Tier 2 instruments issued by banks must have a provision in their contractual terms and conditions that the instruments, at the option of the SBP, will be fully and permanently converted into common share upon the occurrence of a non-viability trigger event called the Point of Non-Viability (PONV) as described below;
- (ii) The PONV trigger event is the earlier of;
 - a) A decision made by SBP that a conversion is necessary without which the bank would become non-viable.
 - b) The decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by SBP.
- (iii) The issuance of any new shares as a result of the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.
- (iv) The amount of non-equity capital to be converted will be determined by the SBP.
- (v) Where an Additional Tier-1 capital instrument or Tier-2 capital instrument provides for conversion into ordinary shares, the terms of the instruments should include provision that upon a trigger event the investors holding 5% or more of paid-up shares (ordinary or preferred) will have to fulfill fit and proper criteria (FPT) of SBP.
- (vi) The conversion terms of the instruments must contain pricing formula linked to the market value of common equity on or before the date of trigger event. However, to quantify the maximum dilution and to ensure that prior shareholder/ regulatory approvals for any future issue of the required number of shares is held, the conversion method must also include a cap on the maximum number of shares to be issued upon a trigger event.
- (vii) The conversion method should describe and take into account the order (hierarchy of claims) in which the instruments will absorb losses in liquidation/ gone concern basis. These terms must be clearly stated in the offer documents. However, such hierarchy should not impede the ability of the capital instrument to be immediately converted.
- (viii) There should be no impediments (legal or other) to the conversion i.e. the bank should have all prior authorizations (sufficient room in authorized capital etc.) including regulatory approvals to issue the common shares upon conversion.
- (ix) The contractual terms of all Additional Tier 1 and Tier 2 capital instruments must state that SBP will have full discretion in deciding/ declaring a bank as a non-viable bank. SBP will, however, form its opinion based on financial and other difficulties by which the bank may no longer remain a going concern on its own unless appropriate measures are taken to revive its operations and thus enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the CET1/ MCR of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures will include conversion of non-equity regulatory capital into common

shares in combination with or without other measures as considered appropriate by the SBP.”

As per the loss absorbency conditions, upon the occurrence of a “Point of Non-Viability” event (“PONV”), SBP may at its option, direct the full or partial and permanent conversion of the Sukuk into common shares of the issuer, i.e. the Bank.

In light of the above contemplated conversion events, the Bank is required to obtain all approvals (in advance) for the issuance of such additional shares, which additional shares shall be issued based on the market value of the shares of the Bank (as at the relevant time) and shall be subject to a cap of 107,000,000/- (One Hundred Seven Million) additional ordinary shares being issued in aggregate. It may further be noted that issuance of such additional shares shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with Section 83(1)(b) of the Act.

The information required to be annexed to the notice is set out below:

Name of the persons to whom shares will be issued	The shares will be issued to the Sukuk holders (at that time) in accordance with the directions of SBP at the time of trigger of PONV.
Price at which the proposed shares will be issued	The shares shall be at the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP, however, total no. of shares to be issued are capped at 107,000,000/- (One Hundred Seven Million).
Purpose of the issue, utilization of the proceeds of the issue and benefits to the Company and its shareholders with necessary details	To convert the outstanding Sukuk amount (in whole or in part) into shares of the Bank in accordance with the directions of SBP.
Existing shareholding of the persons to whom the proposed shares will be issued	Not Applicable.
Total shareholding of the persons after the proposed issue of shares	Not Applicable.
Whether the persons have provided written consent for purchase of such shares	The terms of the Sukuk Issuance Agreement for the Sukuk Issue contain the details regarding such conversion.
Justification as to why proposed shares are to be issued otherwise than rights and not as rights shares	This is in accordance with the requirements of SBP vide its Circular No. 6 of Banking Policy and Regulation Department dated August 15, 2013.
Justification, with details of the latest available market price and break-up value per share, if such price differs from par value	Not Applicable.

The shares issued shall rank pari passu in all respects with the existing shares of the Bank. The issue of shares other than by way of rights is subject to approval from the Securities and Exchange Commission of Pakistan.

The Directors of the Bank have no vested interest, directly or indirectly, in the above business, save to the extent of their shareholding of the Bank.

“**RESOLVED** that the Bank, be and is hereby authorized to raise Tier 2 Capital through issuance of redeemable capital, in accordance with section 66 of the Companies Act, 2017, in the form of Shariah compliant Sukuk certificates, to be privately placed and / or subsequently listed pursuant to the Debt Securities Listing Regulations, up to the extent of PKR 7,000,000,000/- (Pak Rupees Seven Billion) inclusive of a green shoe option of up to PKR 2,000,000,000/- (Pak Rupees Two Billion) (the “Sukuk Issue”), to eligible institutional and other investors in terms of BPRD Circular Number 08 dated June 27, 2006 as amended vide BPRD Circular Number 06 of August 15, 2013 (as amended from time to time), read with all relevant rules, regulations, circulars and approvals of the State Bank of Pakistan (“SBP”), upon such terms and conditions as may be deemed appropriate by the authorized representatives of the Bank.”

“FURTHER RESOLVED that Mr. Yousaf Hussain (President and Chief Executive Officer) and Mr. Tanveer (Chief Financial Officer) of the Bank, be and are hereby jointly and severally authorized to take all steps, necessary, ancillary and incidental to the above, and are further authorized to sign, execute and deliver all necessary documents, agreements and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes abovementioned.”

“RESOLVED that in the event of conversion of the Sukuk Issue approved by the Board of Directors of the Bank, vide circulation on [January 15, 2026] and in accordance with requirements of the Instructions for Basel III Implementation in Pakistan, as issued pursuant to the circulars of the SBP (as may be amended from time to time), regarding loss absorbency, in the event the Sukuk Issue is converted into common shares upon the declaration by the SBP of the occurrence of a Point of Non-Viability event (“PONV”), such ordinary shares shall be issued other than by way of rights in accordance with the proviso provided under section 83(1)(b) of the Companies Act, 2017 (“Additional Shares”).

“RESOLVED that the issuance of such Additional Shares shall be based on the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP and shall be subject to a cap of 107,000,000/- (One Hundred Seven Million) additional ordinary shares being issued and shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with the applicable provisions of the Companies Act, 2017.”

“FURTHER RESOLVED that Mr. Yousaf Hussain (President and Chief Executive Officer) and Mr. Tanveer (Chief Financial Officer) of the Bank, be and are hereby jointly and severally authorized to take all steps, necessary, ancillary and incidental to the above, and are further authorized to sign, execute and deliver all necessary documents, agreements and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes abovementioned.”

Faysal Islami Burraq App

Get your account opened in just **5 minutes**

Opening an account has never been easier,
all you need is your **CNIC**



Account Opening
made simple

Barho Yaqeen Ke Saath

faysalbank 

Form of Proxy

I/We _____ of _____

a member (s) of **FAYSAL BANK LIMITED** and holding _____ ordinary shares, as per

Register Folio No. / Participant's ID/CDC sub Account No. _____

hereby appoint _____ Folio No. / Participant's

ID/CDC sub Account No _____ or

failing him/her _____ of _____ as

my / our proxy to vote and act for me / us on my / our behalf at the Annual General Meeting of the Bank will be held on March 26, 2026 and at any adjournment thereof.

Signed _____ day of _____, 2026

Witness:

1. _____

Revenue Stamp
Rs. 5/-

2. _____

Signature of Member (s)

NOTES:

1. The Share Transfer Books of the Bank shall remain closed from **March 20, 2026 to March 26, 2026** (both days inclusive). Transfer received at the Shares Registrar of the Bank, by the close of business on March 19-, 2026 will be treated in time for attending Annual General Meeting will be held on March 26, 2026 at Karachi.
2. A member entitled to attend and vote at the Meeting may appoint another Member as per his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member, but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Bank not less than 48 hours before the time of the holding of the Meeting.
3. Members are required to timely notify any change in their address to Bank's Shares Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.
4. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

B. For appointing proxies:

- i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CINC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی فارم

میں / ہم
رہائشی
فیصل بینک لمیٹڈ کے ممبر (ز) کی حیثیت سے رجسٹرڈ فلیو نمبر / پارٹی سینٹ شناختی نمبر / سی ڈی سی سب اکاؤنٹ نمبر کے مطابق
عمومی شیئرز کے مالک ہیں اور بذریعہ ہذا
فلیو نمبر / پارٹی سینٹ شناختی نمبر / سی ڈی سی سب اکاؤنٹ نمبر
یا ان کی غیر موجودگی میں
رہائشی
کوپراکسی کے طور پر مقرر کرتا ہوں / کرتے ہیں جو کہ میرے / ہمارے پراکسی کے طور پر میری / ہماری غیر موجودگی میں
بینک کے 26 مارچ، 2026 کو منعقد ہونے والے سالانہ اجلاس عام میں میری / ہماری جانب سے شرکت کرنے اور ووٹ دینے کے اہل ہوں گے۔

دستخط
گواہ
پانچ روپے کارپوریٹ اسٹامپ چسپاں کریں
1-
2-
ممبر (ز) کے دستخط

نوٹ:

- 1- بینک کے شیئر ٹرانسفر بکس 20 مارچ، 2026 سے 26 مارچ، 2026 تک (بشمول دونوں دن) بند رہیں گی۔ بینک کے شیئرز رجسٹرار کو 19 مارچ، 2026 کو کاروبار کے اختتام تک موصول ہونے والے ٹرانسفر کو 26 مارچ، 2026 کو کراچی میں منعقد ہونے والے سالانہ اجلاس عام کے لئے بروقت قرار دیا جائے گا۔
- 2- اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر کسی دوسرے ممبر کو اپنی جگہ شرکت کرنے اور ووٹ دینے کے لئے پراکسی مقرر کر سکتا ہے جبکہ کسی ادارے کی جانب سے مقرر کردہ پراکسی کا ممبر ہونا لازمی نہیں ہے، لیکن اس کے پاس ادارے کی جانب سے تقرری کا ثبوت ہونا چاہیے۔ پراکسی لازمی طور پر اجلاس سے کم از کم 48 گھنٹے قبل بینک کے رجسٹرڈ آفس میں وصول ہونی چاہیے۔
- 3- ممبر ز اپنے پتے کی تبدیلی سے متعلق اطلاع بینک کے شیئر رجسٹرار میسرز سی ڈی سی ہاؤس لمیٹڈ، سی ڈی سی ہاؤس، B-99 بلاک بی، ایس ایم سی ایچ این مین شاہراہ فیصل، کراچی کو بروقت دیں۔
- 4- سی ڈی سی اکاؤنٹ ہولڈرز سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے 26 جنوری، 2000 کو جاری شدہ سرکلر 1 میں دی گئی رہنماہدایات پر عمل کریں۔

A اجلاس میں شرکت کے لیے:

- 1- انفرادی ممبر کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ آدمی جس کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور اس کی رجسٹریشن کی تفصیلات قواعد کے مطابق اپلوڈ ہو چکی ہیں، انہیں اپنی شناخت کے لیے اجلاس میں شرکت کے وقت قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرنا پڑے گا۔
- 2- کارپوریٹ ادارے کی صورت میں اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی (اگر پہلے فراہم نہیں کیا گیا ہے) نامزد کرنے والے کے مجاز دستخط کے ساتھ پیش کرنا ہو گا۔

B پراکسی کی تقرری کے لئے

- 1- انفرادی ممبر کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ آدمی جس کی سکیورٹیز گروپ میں ہیں اور اس کی رجسٹریشن کی تفصیلات قواعد کے مطابق اپلوڈ ہو گئی ہیں، انہیں درج بالا ضروریات کے مطابق پراکسی فارم جمع کرنا ہو گا۔
- 2- پراکسی فارم پر دو افراد کی گواہی درکار ہوگی جن کے نام، پتہ اور سی این آئی نمبر درج ہوں گے۔
- 3- پراکسی فارم کے ساتھ اصل ممبر اور پراکسی کے سی این آئی سی یا پاسپورٹ کی مصدقہ نقول منسلک ہوں گی۔
- 4- میٹنگ کے وقت پراکسی کو اپنا اصل کمپیوٹر انڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ضروری ہو گا۔
- 5- کارپوریٹ ادارے کی صورت میں کمپنی کے پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی (اگر پہلے فراہم نہیں کیا گیا ہے) مجاز دستخط شدہ منسلک ہو گا۔

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