



Meezan Bank
The Premier Islamic Bank



**Excellence
Recognized**

Annual Report 2025



**Carried
Forward with
Conviction**

A landmark moment from the farewell of Irfan Siddiqui, where he handed over a ceremonial torch to Dr Syed Amir Ali, symbolising the continuity of leadership at Meezan Bank.

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About This Report

The Annual Report has been prepared in accordance with the Integrated Reporting Framework to present the Bank's performance during year 2025. The adoption of the integrated framework is in its preliminary stages and the Bank will continue to improve on the information mentioned in this report.

This report provides an in-depth and transparent disclosure of the Bank's financial performance. In preparing this report, the Bank was guided by the local statutory and regulatory requirements and is also in compliance with the following:

- Banking Companies Ordinance, 1962
- Companies Act, 2017
- Listed Companies (Code of Corporate Governance) Regulations, 2019
- International Financial Reporting Standards (IFRS)
- Islamic Financial Accounting Standards (IFAS)
- Directives issued by the State Bank of Pakistan (SBP) and Securities & 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.

Audience

The Annual Report and Financial Statements have been prepared to provide information to the Bank's stakeholders including investors (equity shareholders, Sukuk holders and prospective investors), employees, customers, regulators, research analysts, credit rating agencies and society at large. The annual financial statements were approved by the Board of Directors on February 09, 2026 and signed on its behalf by the Chairman, President & CEO, two Directors and CFO.

Reporting & Publication Period

This report covers the financial and non-financial performance of Meezan Bank from the period January 01, 2025 to December 31, 2025 and is published within three months of the date of the Statement of Financial Position.

External Assurance

The Bank's financial statements for the year ended December 31, 2025 are audited by external auditors, A. F. Ferguson & Co., Chartered Accountants (a member firm of PwC network); and provide an in-depth and transparent disclosure of its financial performance. As a regulatory requisite, the auditors are rotated every five years to ensure their independence and transparency.

Availability

This report is published for a limited audience and dispatched upon request. It is available in soft copy (PDF format) on the Bank's official website. All formats may be considered the audited, legally leading document.



For further clarification and feedback on this report, please contact through the following email id: investor.relations@meezanbank.com



When you see this icon, you will find more information on another page of this report.



When you see this icon, you will find more information on our website.

Our Presence

We are serving you with Shariah-compliant banking services nationwide, through:

1,105
Branches

1,321
ATMs

363
Cities

14
Consumer
Finance Centres

28
Bank Booths

16
Premium
Banking Centres

Digital Channels

Meezan
Mobile App



Meezan
WhatsApp Banking



Meezan Internet
Banking



Punjab	Branches	ATMs	Islamabad Capital Territory	Branches	ATMs
Bahawalpur	58	60	Islamabad	56	68
Faisalabad	70	87	Rawalpindi	47	66
Gujranwala	86	49		103	134
Lahore	161	210	Khyber Pakhtunkhwa	89	72
Multan	93	71	Hazara	03	24
Sargodha Region	38	40	Balochistan	41	33
Sahiwal	13	41	Azad Jammu & Kashmir	14	12
Sialkot	20	47	Gilgit-Baltistan	5	6
	539	605			
Sindh			Total	1,105	1,321
Karachi	250	365			
Hyderabad	61	70			
	311	435			

Note: The cities include major cities and their adjoining towns and regions.



For detailed branch locations, please visit our website:

 www.meezanbank.com

Corporate Profile

Founded with the Vision to 'Establish Islamic banking as banking of first choice...', the Bank commenced operations in 1997 as Al Meezan Investment Bank Limited. It converted to Meezan Bank Limited, a full-fledged Islamic commercial bank in 2002, when the State Bank of Pakistan issued it Pakistan's first Islamic Commercial Banking license. Concurrently, the Bank acquired the Pakistan operations of Societe Generale and started commercial banking with a small network of four branches, that has now grown to become one of the largest banking networks in the country with 1,105 branches in 363 cities.

Meezan Bank is a public listed company sponsored by leading financial institutions from Pakistan and the Middle East. The Bank offers a complete range of Islamic banking products and services through an extensive retail banking network.

Meezan Bank has a strong Shariah compliance setup that comprises a dedicated Shariah Compliance Department, a Resident Shariah Board Member and a Shariah Board comprising of internationally renowned Shariah scholars. The Bank is well-recognized for its product development capability, Islamic banking research and advisory services at both national and international levels.

Credit Rating

The VIS Credit Rating Company Limited has reaffirmed the Bank's medium to long-term entity rating as AAA (Triple A) and its short-term rating as A1+ (A One Plus) with stable outlook. The AAA rating denotes highest possible credit quality, with negligible risk factors, being only slightly more than for risk-free debt of the Government of Pakistan.

Meezan Bank is the only full-fledged Islamic bank with AAA credit rating in the Islamic banking industry of Pakistan.

2025	2024
AAA	AAA
Long Term	
2025	2024
A1+	A1+
Short Term	

Calendar Of Major Events

27

January
1997

Date of
Incorporation

21

August
2000

Listing Date on
PSX

31

January
2002

Issuance of
Scheduled Islamic
Commercial Bank
license

20

March
2002

Commencement of
Operations as
Scheduled Islamic
Commercial Bank

17

October
2014

Acquisition of
HSBC Pakistan
Operations

Financial Calendar 2025

21 April
2025

1st

Quarter Results

13 August
2025

2nd

Quarter Results

24 October
2025

3rd

Quarter Results

09 February
2026

Annual Results

27 March
2026

30th

Annual General
Meeting scheduled

Corporate Information



Board Of Directors

Riyadh S. A. A. Edrees	Chairman
Bader H.A.M.A. AlRabiah	Vice Chairman
Tariq Mahmood Pasha	
Irfan Siddiqui	
Saad Ur Rahman Khan	
Faisal Fahad AlMuzaini	
Zine Elabidine Bachiri	
Abdulrazzaq T.A.M. Razooqi	
Mohammad Abdul Aleem	
Nausheen Ahmad	
Dr. Syed Amir Ali	President & CEO



Shariah Board

Justice (Retd.) Muhammad Taqi Usmani	Chairman
Dr. Muhammad Imran Ashraf Usmani	Member
Sheikh Esam Mohamed Ishaq	Member
Mufti Muhammad Naveed Alam	Resident Shariah Board Member
Mufti Zubair Ahmed	Member



The profiles of the Board of Directors and Shariah Board members are available on our website and in this report.



Management

Dr. Syed Amir Ali	President & CEO



Chief Financial Officer

Syed Imran Ali Shah



Company Secretary

Muhammad Sohail Khan



Auditors

A. F. Ferguson & Co., Chartered Accountants



Legal Advisor

Haidermota & Co., Advocates



Registered Office

Meezan House C-25, Estate Avenue, SITE, Karachi-75730, Pakistan.



Contacts

PABX: (92-21) 38103500, 37133500
Fax: (92-21) 36406056
24/7 Call Centre: 111-331-331 & 111-331-332
Email: info@meezanbank.com
Website: www.meezanbank.com, www.meezanbank.pk



Subsidiary Companies

- Al Meezan Investment Management Limited
- Meezan Exchange Company (Pvt.) Limited

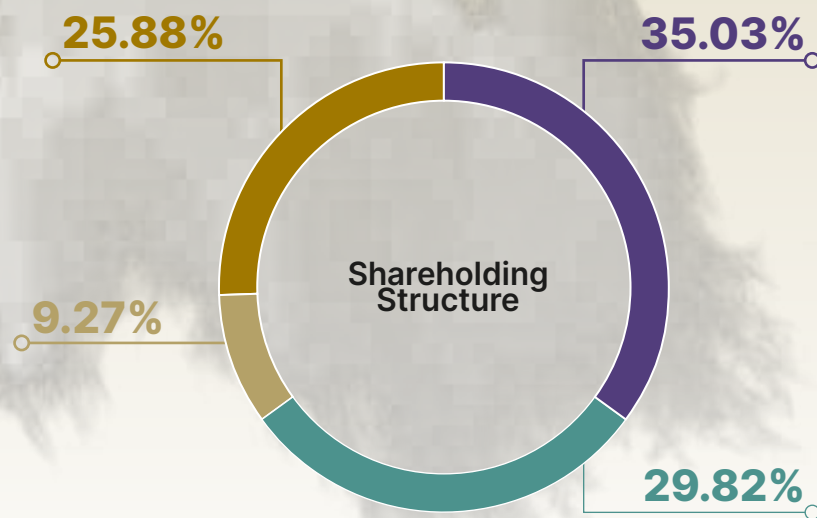
Meezan Bank Share Information

Company Name	Stock Name
 Meezan Bank Limited	 MEBL
Listed on	Financial Year End
 PAKISTAN STOCK EXCHANGE	 31 December

Shares Registrar

THK Associates (Pvt.) Ltd. Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500.Pakistan.
PABX: (92-21) 35310191-6
UAN: (92-21) 111-000-322
Email: secretariat@thk.com.pk; sfc@thk.com.pk
Website: www.thk.com.pk

Shareholders



- Noor Financial Investment Company
- Pakistan Kuwait Investment Company (Pvt.) Ltd
- Islamic Development Bank
- Others

Noor Financial Investment Company (NOOR)



Noor Financial Investment Company (Noor) is a Kuwaiti investment company established in 1996 and is engaged in investment and financial activities primarily in Kuwait, the Middle East, Asia and other emerging markets. The company was established as the financing arm of the National Industries Group (NIG), which is one of the largest private sector industrial groups in Kuwait.

Noor Financial Investment Company provides a broad range of financial services through its investment banking department. These services broadly include private equity, investment strategy and implementation, mergers & acquisition advisory, valuations, hedging & risk management, local/foreign listing, long-term financial planning and innovative structuring. The asset management department of the company also engages in managing proprietary and client portfolios of quoted and unquoted securities, real estate and funds in Kuwait, GCC and the MENA region.

Pakistan Kuwait Investment Company (Pvt.) Ltd (PKIC)



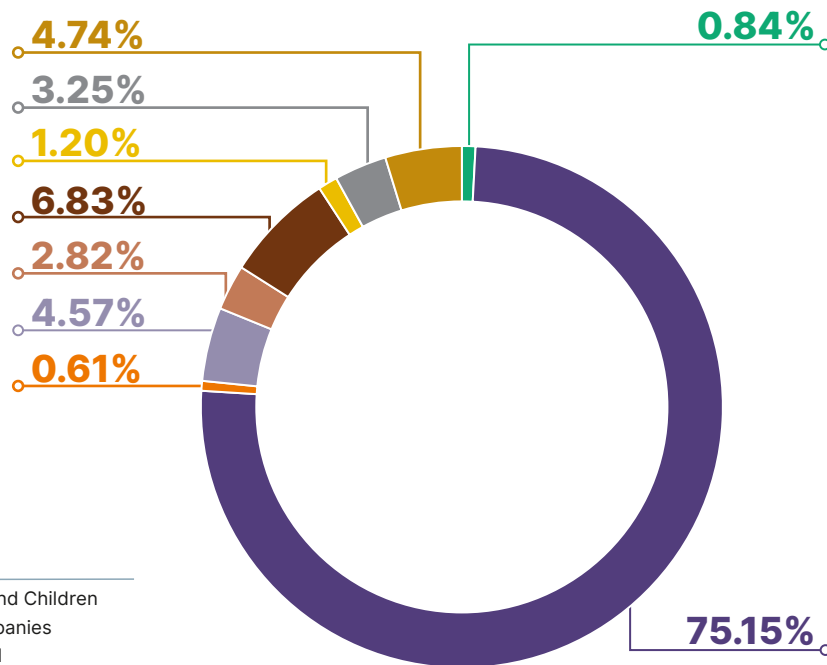
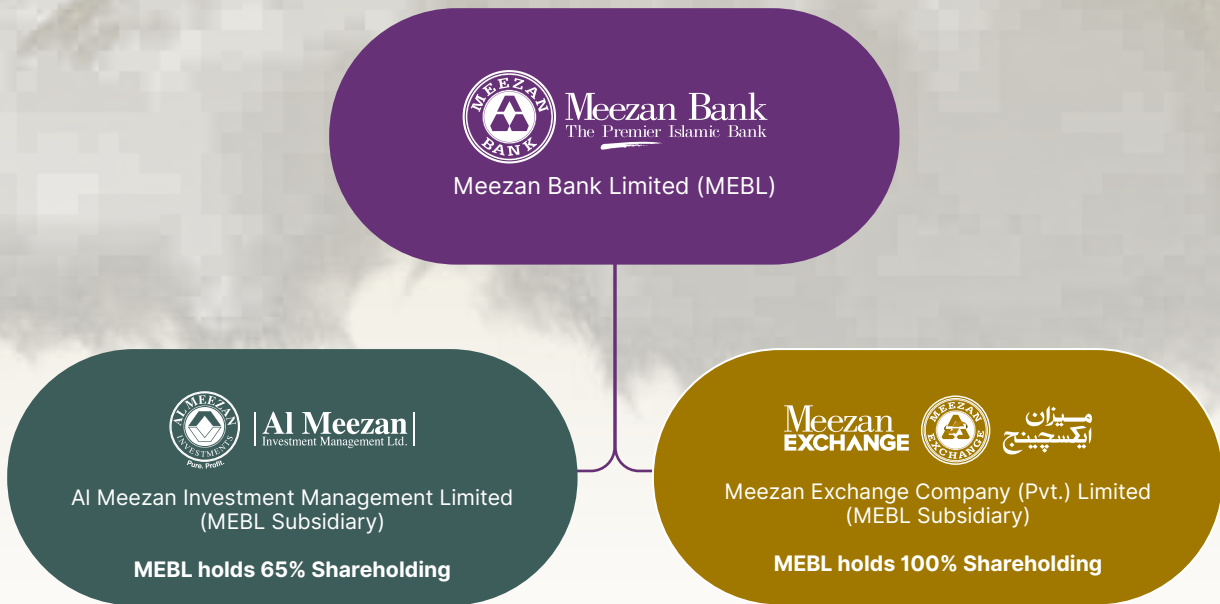
Pakistan Kuwait Investment Company (Private) Limited (PKIC), a joint venture between the Governments of Pakistan and Kuwait was established in 1979. PKIC is one of the most respected and profitable institutions in Pakistan. The company, operating for over 45 years in Pakistan, is engaged in investment and development banking activities in the country. PKIC is the first financial institution in Pakistan that has been rated AAA (triple A) for the long-term by both PACRA and VIS Credit Rating Company.

Islamic Development Bank (IsDB)



Islamic Development Bank (IsDB) is located in Jeddah and is an International Financial Institution established in 1974 in pursuance of a declaration by the Conference of Finance Ministers of Muslim countries to foster economic development and social progress in member (Islamic) countries. IsDB has a subscribed capital of USD 76 billion and enjoys presence in 57 member countries. The Bank participates in equity capital and grants loans for productive projects and enterprises besides providing financial assistance in other forms for economic and social development.

Shareholding Structure and Category of Shareholding as of December 31, 2025



- Directors, CEO and Children
- Associated Companies
- Banks DFI & NBFI
- Insurance Companies
- Mutual Funds
- General Public (Local)
- General Public (Foreign)
- Others
- Foreign Companies

Products & Services

Meezan Bank offers a diverse range of Shariah-compliant banking products and services to cater customer requirements.

Deposit Products

Meezan Rupee

Current & Savings Accounts PKR

Meezan Asaan

Current & Savings Accounts PKR

Meezan Express

Current & Savings Accounts PKR

Meezan Kids Club

Savings Accounts PKR

Meezan Teen Club

Savings Account PKR

Meezan Asaan Student

Current & Savings Accounts PKR

Meezan Senior Citizen

Savings Account PKR

Meezan Women First

Savings Account PKR, USD, GBP, EUR

Meezan Labbaik

Savings Account | Hajj & Umrah Pilgrimage Facility PKR

Meezan Kafalah

Savings Account PKR

Meezan Bachat

Savings Account PKR

Meezan Plus

Current Remunerative Account PKR

Karobari Munafa

Savings Account PKR

Foreign Currency

Current & Savings Account USD, GBP, EUR

Meezan Roshan Digital

Current & Savings Account PKR, USD, GBP, EUR

Meezan Roshan Resident

Current & Savings Account USD, GBP, EUR

Meezan Payroll Partner

Digital Employee Banking Solution

Account Opening Facility for Freelancers

Current & Savings Account PKR

Meezan Digital Asaan

Current & Savings Account PKR

Meezan Digital Remittance

Current & Savings Account PKR

Meezan Digital Freelancer

Current & Savings Account PKR

Islamic Naya Pakistan Certificate (INPC)

PKR, USD, GBP, EUR

Monthly Mudarabah Certificate

One Month Maturity

Certificate of Islamic Investment

3 & 6 Months, 1 & 1.5 Year(s)

Certificate of Islamic Investment Senior

1 Year

Meezan Aamdan Certificate

5.5 & 7 Years

Meezan Aamdan Certificate for Senior Citizens, Widows & Disabled Persons

5.5 & 7 Years

Dollar Mudarabah Certificates

3 & 6 Months; 1 & 3 Year(s) USD

Digital Banking Channels

Meezan Digital Account Opening App

Meezan Mobile Banking App

Meezan Internet Banking

Meezan WhatsApp Banking

SMS Alerts

Meezan ATM & CDM Network

Branchless Banking

Smart Remittance Wallet

Wallet Account

Smart Asaan Mobile Account

Wallet Account

Smart Disbursement Solution

Employee Salary Wallet Account

Smart Wallet

Wallet Account

Priority Banking

Meezan Premium Banking

A comprehensive banking solution designed for high net-worth customers

Consumer Banking

Car Ijarah

Auto Financing

Roshan Apni Car

Meezan Women First
Car Ijarah | Home Financing

Meezan Apni Bike

Motorcycle Financing

Easy Home

Home Financing

Meezan Roshan Apna Ghar

Home Financing

Easy Home - Mera Ghar Mera Ashiana (MGMA) Subsidized
Islamic Housing Finance Scheme

Meezan Consumer Ease*

Fan Financing

Prime Minister Fan Replacement Program

Meezan Solar

Solar Panel Financing

Meezan Labbaik

Hajj & Umrah Financing

Meezan FCY Debit Card

For Freelancers & Exporters having ESFCA

Meezan Mastercard Debit Cards

World, Platinum, Titanium & Classic

Meezan Visa Debit Cards

Infinite, Platinum, Gold & Classic, Women First, Teens & Kids (Boys & Girls) & Student

Meezan PayPak Debit Card

PayPak debit card

Meezan Supplementary Debit Cards

PayPak, Classic, Women First, Gold, Titanium, Platinum, World, Infinite

Contactless Payments

Debit Cards and Google Pay (wallet)

Discounts & Privileges

Fintech Services

Meezan POS Terminals

Meezan E-Commerce Payment Gateway

Transaction & International Banking

Meezan Payroll Partner

Employee Banking & Payroll Financing Solution

Meezan eBiz+

Corporate Internet Banking Portal

Meezan Easy Remit

Home Remittance Solution

**Under improvement and currently being served only to existing active financing limit-holders and employees of Meezan Payroll Partner companies.*

Financing Products

Murabaha | Short-Term Facility

Procurement of Raw Material & Stock in Trade

Musawamah | Short-Term Facility

Procurement of Raw Material and Stock in Trade

Istisna | Short-Term Facility

Working Capital Finance for Manufacturers

Commodity Salam | Short-term Facility

Working Capital Finance for Agri/Homogeneous products

Tijarah | Short-Term Facility

Working Capital Solution for Traders and manufacturers

Ijarah | Long-Term Rental Facility

Running Musharakah

Business partnership based on Profit & Loss sharing

Diminishing Musharakah

Long-Term Rental Facility Based on Joint Ownership

Structured Finance Solutions

Hybrid Solutions for CAPEX, BMR & Special Financing Requirements

Letter of Credit Services

Kafalah & Wakala Based Facility for Import Facilitation

Short-Term Import Financing

Murabaha | Musawamah Based Facility for Financing Letter of Credit Long-Term Import Financing

Long-Term Import Financing

Ijarah | DM Based Facility for Financing Letter of Credit

Shariah-compliant Hedging

Wa'ad-Based Hedging Facility

Alternative To Export Bill Discounting

Bai Salam/Musawamah/Tijarah/ Running Musharakah based Facility, Sale of Sukuk against debt

Shares Murabaha

Alternative to Shares Margin Financing on the basis of Murabaha

Alternative to Debt/ Bill/ Receivable Discounting

Sale of Sukuk against Debt

Alternative to Export Forward's Discounting

Running Musharakah & Deferred Tijarah

Islamic Export Refinance Scheme

Subsidized Short-Term Financing for Exporters

Islamic Long Term Finance Facility

Subsidized Ijarah | Diminishing Musharakah Based Financing for Exporters

Guarantee Services

Payment & Performance Guarantees | Kafalah Based Service

Retail Supply Chain Financing

Working Capital Financing for Small Scale Retailer

Digital Supply Chain Financing

Working Capital Financing using Digital platform & Fintech

Commercial Vehicles Financing

for SME & Corporate Segments

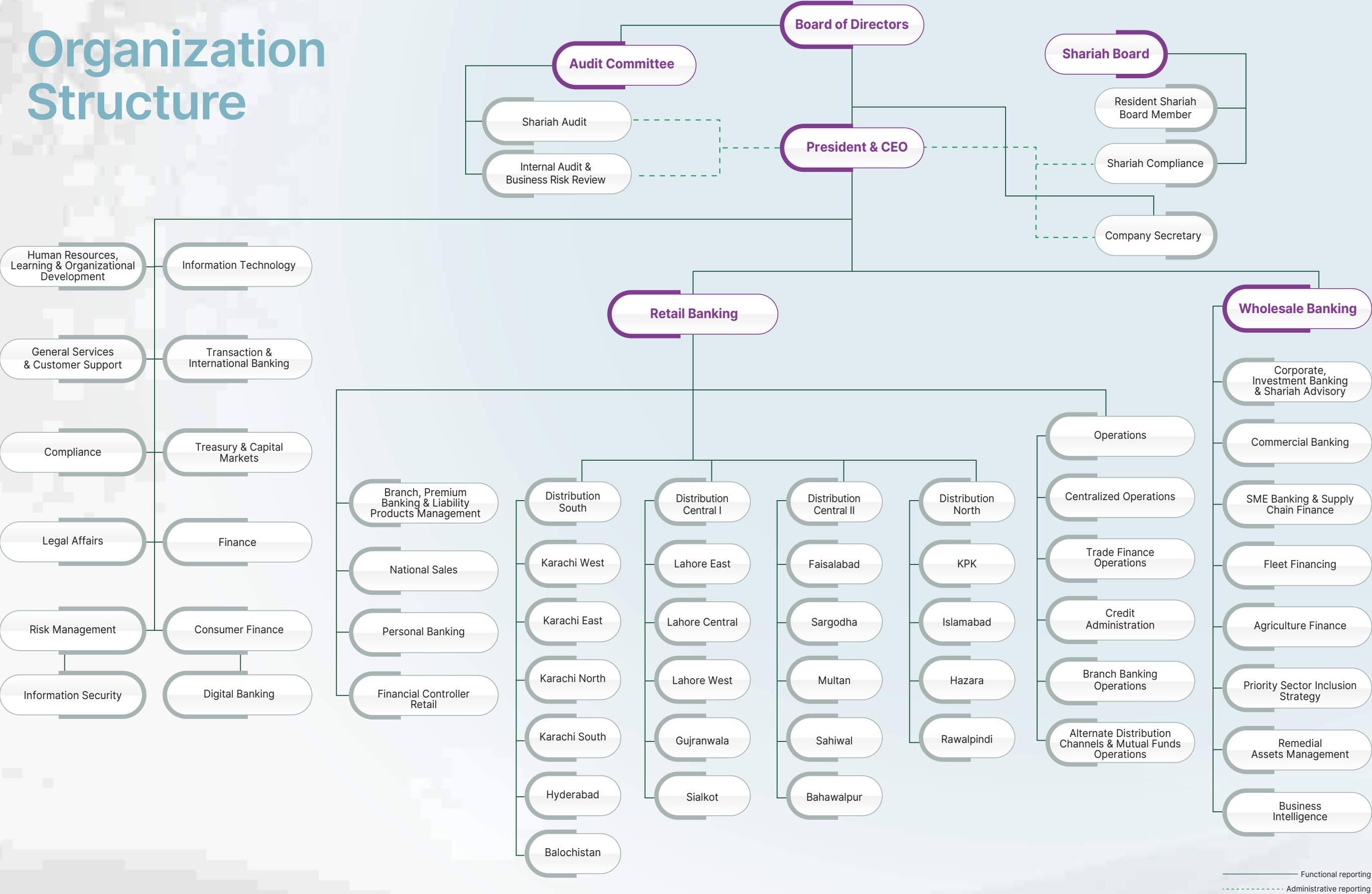


Detailed information is available on our website.



www.meezanbank.com

Organization Structure



Our Leadership

Senior Management Team

Dr. Syed Amir Ali	President & CEO
Mr. Zia Ul Hassan	Chief Operating Officer - Retail Banking
Syed Tanveer Hussain	Chief Operating Officer - Wholesale Banking
Mr. Ahmed Ali Siddiqui	Group Head Consumer Finance
Mr. Faiz Ur Rehman	Group Head Information Technology
Mr. Khalid Zaman Khan	Group Head Human Resources, Learning & Organizational Development
Mr. Muhammad Abdullah Ahmed	Group Head Transaction & International Banking
Mr. Muhammad Raza	Group Head General Services & Customer Support
Syed Tariq Hassan	Chief Risk Officer
Mr. Muhammad Sohail Khan	Company Secretary
Mr. Rizwan Qamar Lari	Group Head Internal Audit & Business Risk Review
Mr. Shahzad Abdullah	Group Head Treasury & Capital Markets
Mr. Urooj Ul Hasan Khan	Group Head Corporate, Investment Banking & Shariah Advisory
Mr. Ebrahim Yakoob	General Manager Operations
Mr. Masood Muhammad Khan	Chief Compliance Officer
Mr. Shariq Mubeen	Chief Digital Officer
Syed Imran Ali Shah	Chief Financial Officer
Mr. Shayan Ahmed Baig	Head Shariah Compliance
Mr. Muhammad Farhan Ul Haq Usmani	Head Shariah Audit
Mr. Muhammad Umar Khan Fareedy	Head Legal Affairs
Syed Fahad Azam	Chief Information Security Officer

Distributions & Regions

Syed Salman Ahmed	Distribution Head - South
Mr. Mashkoor A.G. Khan	General Manager - Karachi South
Mr. Mirza Aamir Iqbal	Regional Manager - Karachi East
Mr. Muhammad Akram Zaheer	Regional Manager - Karachi West
Mr. Shoeb Muhammad Shaikh	Regional Manager - Karachi North
Mr. Uzair Akbar Soomro	Regional Manager - Hyderabad
Mr. Amir Ali Durrani	Regional Manager - Balochistan
Mr. Anwar Ul Haq	Distribution Head - Central I
Mr. Rai Shahid Amin	General Manager - Lahore Central
Mr. Muhammad Yasar Abaidullah Ghazi	Regional Manager - Lahore West
Syed Muhammad Imran Shah	Regional Manager - Lahore East
Mr. Nadeem Kaleem Sheikh	Regional Manager - Sialkot
Mr. Gohir Iqbal Farooqi	Regional Manager - Gujranwala
Mr. Abid Hussain Abid	Distribution Head - Central II
Mr. Moazzam Saeed Khan	General Manager - Faisalabad
Mr. Muhammad Ejaz Nadeem	Regional Manager - Bahawalpur
Mr. Muhammad Asadullah	Regional Manager - Sargodha
Mr. Muhammad Saleem	Regional Manager - Sahiwal
Mr. Ateeq Ur Rehman	Regional Manager - Multan
Mr. Chohdry Asif Javed	Distribution Head - North
Mr. Aneeq Ejaz Qureshi	Regional Manager - Rawalpindi
Mr. Alam Zeb	Regional Manager - Hazara
Mr. Arif Aslam Khan	Regional Manager - KPK
Mr. Moazzam Choudhry	Regional Manager - Islamabad

Awards & Recognition

For almost three decades, Meezan Bank has been recognized by its peers as well as national and international organizations for its industry leadership.

The awards and recognition received by the Bank in financial year 2025 are mentioned below:



Mr. Irfan Siddiqui – Founder President & CEO, Meezan Bank alongside Dr. Syed Amir Ali – President & CEO, Meezan Bank while receiving the Best Bank award from Mr. Jameel Ahmed – Governor, State Bank of Pakistan at the 10th Pakistan Banking Awards.



Mr. Irfan Siddiqui – Founder President & CEO, Meezan Bank alongside Dr. Syed Amir Ali – President & CEO, Meezan Bank and his team at the 22nd Annual Excellence Awards, CFA Society of Pakistan.



Syed Tariq Hassan – Chief Risk Officer (CRO) and Group Head Risk Management, Meezan Bank while receiving the award from Mr. Saeed Ghani Khaskheli – Provincial Minister for Labour, Human Resources & Social Protection at the Management Association of Pakistan 40th Corporate Excellence Awards.

2025

Global Finance Magazine

World's Best Bank 2025 Asia Pacific

The Banker

Bank of the Year

Pakistan Banking Awards

Best Bank

Employers Federation of Pakistan (EFP)

Women Empowerment and Gender Equality Gold Awards

MAP-Management Association of Pakistan

Best Company in Financial Category

CFA Society Pakistan

Best Bank of the Year – Large Size Banks

Islamic Bank of the Year

Best Investor Relations (Runner-up)

Global Islamic Finance Awards

Shariah Authenticity Award

Shariah Auditor of the Year

Islamic Finance Forum of South Asia (IFFSA) Awards

Islamic Finance Entity of the Decade

Asset AAA

Sustainable Finance Awards

Best Bond Adviser - Pakistan

Best Sukuk Sovereign - Pakistan

(Ministry of Finance, Government of Pakistan 32 billion Rupees Sovereign Green Sukuk)

Best Acquisition Financing - Pakistan

(Engro Connect 133 billion Rupees Acquisition Financing for Deodar)

Islamic Finance News

Best Overall Islamic Bank

Best Islamic Bank for Treasury Management

Best Islamic Bank Pakistan

Best Islamic Investment Bank - Pakistan

Best Islamic Corporate Bank - Pakistan

Best Islamic Retail Bank - Pakistan

Islamic Retail Banking Awards (IRBA)

The Strongest Islamic Retail Bank in Pakistan

Government of Pakistan

Recognized among Pakistan's leading export facilitators

Consumer Choice Awards

Consumers Icon Award 2025 for Best Islamic Bank

National Forum for Environment and Health (NFEH)

Fire Safety Award

Corporate Social Responsibility Award 2025

Pakistan PWD Finclusion Awards

Special Recognition for Participation & Continued Commitment to Disability Inclusion

HR Pinnacle Awards

Best Retention Strategy



2024

Pakistan Banking Awards

Best Bank

CFA Society Pakistan

Best Bank of the Year – Large Size Banks

Islamic Bank of the Year

Best Digital Banking Services Award of the Year



Best Transaction of the Year (Runner-up)
Best Investor Relations (Runner-up)

The Banker

Bank of the Year Awards

Bank of the Year, Pakistan

Islamic Banking Awards

Most Innovative Murabaha

Asian Banking and Finance

Retail Banking Awards

Analytics Initiative of the Year – Pakistan

Digital Business Banking Initiative of the Year – Pakistan

Pakistan Stock Exchange

Top 25 Companies for the Year 2023

Employers Federation of Pakistan (EFP)

Employer of the Year - Gold Award – Large National Companies

Recognized for Occupational Health & Safety at OSH Awards by EFP

MAP - Management Association of Pakistan

Best Company in Financial Category

WorkL

World's Happiest Workplaces 2025

ICAP and CA Pakistan

Digital Technology Awards – 'Best Dashboard Prepared' (First Prize)

Global Islamic Finance Awards

Shariah Authenticity Award

Shariah Auditor of the Year

Best Islamic Bank

Islamic Finance News, Malaysia

Best Islamic Retail Bank

Best Islamic Bank in Pakistan

Best Islamic Investment Bank in Pakistan

Best Islamic Corporate Bank in Pakistan

Best Islamic Retail Bank in Pakistan

Best Islamic Digital Offering by a Bank in Pakistan

Global Finance - World's Best Islamic Financial Institutions

Best Islamic Financial Institution in Pakistan

Asset Triple A Islamic Finance Awards

Telecom Deal of the Year – Pakistan

Engro Enfrashare Private Limited 6 billion Rupees Islamic syndicated term finance facility

Water Deal of the Year – Pakistan

Enertech Water (Private) Limited 51.5 billion Rupees Islamic project finance facility

Energy Update

International Solar Power Conclave & Technology Excellence Awards

VISA

Highest Visa Debit E-Commerce Spend – 2024

Launch of World's First Financial Inclusion Card – 2024

PayPak

Top Islamic Bank Incremental Card Issuance – 2024

Top PayPak Acquirer – 2024

2023

Pakistan Banking Awards

Best Bank

CFA Society Pakistan

Best Bank of the Year – Large Size Banks

Islamic Bank of the Year

Best Transaction of the Year – 2022

The Banker

Islamic Banking Awards

Islamic Bank of the Year (Global & Asia-Pacific)

Excellence in Digital Islamic Banking (Global)



Innovation in Digital Banking Awards

Winner – Cyber Security

Global Finance - World's Best Islamic Financial Institutions

Best Islamic Financial Institution in Pakistan

Global Islamic Finance Awards

Shariah Authenticity Award

Shariah Auditor of the Year

GIFA Most Outstanding Leader in Islamic Finance

Pakistan Society of Human Resource Management

Most Preferred Employer – Financial Services Industry

Asian Banking And Finance

Corporate & Investment Banking Awards

Project Infrastructure Finance Deal of the Year, Pakistan

Innovative Islamic Deal of the Year, Pakistan

Retail Banking Awards

Domestic Retail Bank of the Year, Pakistan

MAP - Management Association of Pakistan

Best Company in Financial Category

ICAP and CA Pakistan

Digital Technology Awards – 'Best Dashboards' (First Prize)

Asset Triple A – Hong Kong

Islamic Finance Awards

Islamic Bank of the Year, Pakistan

Best Retail Bank, Pakistan

Best Investment Bank, Pakistan

Sukuk Adviser of the Year, Pakistan

Best Private Bank, Pakistan

Best Green Financing, Pakistan

Burj Solar Energy Private Limited 1 billion rupees syndicated

Islamic Finance Facility Mandated Lead Arranger and Adviser

Best Structured Financing, Pakistan

Pakistan Telecommunication US \$ 171 million diminishing

Musharakah Sales and Lease Back

Mandated Lead Adviser and Arranger

Best Syndicated Loan, Pakistan

Trans World Associates (Private) Limited 11.1 billion rupees,

Syndicated Islamic finance facility

Shariah Structuring Bank, Mandated Lead Adviser & Arranger

Sustainable Finance Awards 2024

Best Syndicated Loan, Pakistan

Rs 7.5 billion Syndicated Long – Term Debt Facilities

Mandated Lead Adviser & Arranger

Employers Federation of Pakistan

1st Pakistan Disability Inclusion Excellence Award

Mastercard Mena East Business Forum

Market Leader Affluent in Pakistan

VISA

Infinite Possibilities: The Ultimate Visa Issuer

Outstanding Award for Highest Visa Debit Card Performance

International Finance Awards

Best Islamic Bank, Pakistan

Best Digital Transformation Bank, Pakistan

The Digital Banker

Global Retail Banking Innovation Awards

Best Retail Bank, Pakistan

Best Islamic Retail Bank (Domestic), Pakistan

Islamic Finance News

Best Islamic Bank, Pakistan

Pakistan Deal of the Year – Ismail Industries'

Rupees 10 Million, Syndicated Financing Facility



Chairman's Review

“All praises to Allah (ﷻ). This was the 23rd year of Islamic commercial banking for Meezan Bank under review. During the year, the Shariah Board of Meezan Bank held four meetings to review various matters, referred to them by the Bank.

Alhamdulillah, it is my privilege to present Meezan Bank's Annual Report for the year 2025.

Meezan Bank has completed 28 years of operations since its establishment as an Investment Bank in 1997. After being granted Pakistan's first Islamic banking licence in 2002, the Bank has grown from the smallest bank in the country into one of Pakistan's leading financial institutions—an enduring corporate success story built on trust, discipline, and a clear purpose.

I am pleased to share that Meezan Bank has once again been recognised as the country's Best Bank by the Pakistan Banking Awards, the country's most prestigious banking recognition. Alhamdulillah, Meezan is the only bank in Pakistan to have received this esteemed accolade three times consecutively and five times in total. The Bank was also awarded the 'Best Bank of the Year—Large Size Banks' by the CFA Society of Pakistan for the sixth consecutive year, Alhamdulillah.

This progress and these recognitions have only been possible through the blessings of Allah (ﷻ), the continued confidence and trust reposed in Meezan Bank by the people of Pakistan, and the unwavering commitment, professionalism, and resilience of the Meezan Board and Management team. I extend my heartfelt congratulations and gratitude to all our employees for their dedication and hard work.

Leadership Transition – A New Era for Meezan Bank

The year 2025 marked a defining moment in Meezan Bank's journey as the Bank transitioned into a new phase of leadership. After decades of visionary service, Mr. Irfan Siddiqui, our Founding President & Chief Executive Officer, concluded an extraordinary chapter in the Bank's history.

Under his leadership, Meezan Bank evolved from a pioneering concept into Pakistan's largest and most successful Islamic bank, setting benchmarks in growth, financial performance, governance, and customer trust. His unwavering commitment to the cause of Islamic banking, deep understanding of Shariah principles, and relentless pursuit of excellence not only shaped Meezan Bank's culture and values, but also played a transformative role in the development of Pakistan's Islamic banking industry as a whole. The Board and I express our profound gratitude to Mr. Siddiqui for his exceptional leadership and dedication, and are proud of the enduring legacy he leaves behind.

At the same time, the Bank welcomed Dr. Syed Amir Ali as President & Chief Executive Officer. Amir brings extensive experience in Islamic banking with strong strategic insight, and a clear appreciation of Meezan Bank's institutional values. Having commenced his banking career at Meezan and subsequently leading another Islamic bank as CEO, his return represents both continuity and renewal. The Board is confident that, under his stewardship, Meezan Bank will continue to build upon its strong foundations, further strengthen its market leadership, and pursue sustainable growth in line with Shariah principles, Insha'Allah.

Financial Performance and Challenges

Alhamdulillah, Meezan Bank delivered robust financial results in 2025. Profit after tax amounted to Rs 89.04 billion, representing only a 12% decline compared to the preceding year—despite a sharp reduction in the policy rate from 22% in July 2024 to 10.5% by December 2025. This significant easing of monetary policy materially compressed industry margins.

The Bank partially mitigated the impact of the rate cut through a strong focus on core deposit growth. Total deposits increased by 28% to reach Rs 3.3 trillion by year-end, while total assets grew by 23% to Rs 4.8 trillion (US\$ 17.2 billion), reflecting continued balance sheet expansion and customer confidence.

Looking ahead, a lower policy-rate environment is expected to support business activity by reducing the cost of financing and stimulating credit demand, which should, over time, underpin more sustainable profitability for the banking sector. Meezan Bank will remain focused on strengthening its core franchise, expanding its branch footprint, and delivering prudent, Shariah-compliant financing solutions to support Pakistan's real economy.

Digital Transformation and Technology

Technology continues to play a central role in Meezan Bank's strategy to enhance customer convenience, operational efficiency, and resilience. During 2025, the Bank made meaningful progress in expanding its digital outreach and strengthening customer engagement through secure and scalable platforms.

Over 460,000 new accounts were opened digitally during the year, reflecting growing customer confidence in Meezan Bank's digital onboarding capabilities. Mobile App users increased from 3.1 million to 4.36 million, with customers conducting digital transactions amounting to nearly Rs 28 trillion—an increase of 54% over the previous year.

A major milestone was the successful migration of customers from the legacy mobile application to a new digital banking platform offering enhanced functionality, improved user experience, and world-class security standards. This platform provides a strong foundation for future innovation while ensuring consistency and reliability across digital channels.

Internally, the Bank continued to deploy Artificial Intelligence and Robotic Process Automation to modernise processes, reduce turnaround times, strengthen controls, and enhance compliance. These initiatives support scalable growth while maintaining high standards of risk management and service quality.

Sustainability and Responsible Banking

Meezan Bank remains firmly committed to sustainability and responsible banking with a clear focus on green and climate-aligned financing. During the year, the Bank expanded its support for renewable energy, energy efficiency, and environmentally responsible projects that contribute to Pakistan's long-term economic and climate resilience.

As part of its own environmental stewardship, the Bank operated 196 solar-powered branches with a total installed capacity of 4.3 MW, generating clean energy equivalent to planting approximately 60,000 trees annually. In addition, 10,000 trees were planted during the year, enabling Meezan Bank to offset approximately 1,320 metric tons of CO₂ per annum.

As part of its focus on sustainable and inclusive growth, Meezan Bank continued to expand its Supply Chain Finance initiatives to support SMEs and strengthen liquidity across value chains through Shariah-compliant solutions. In 2025, the Bank's Supply Chain Finance portfolio grew by over 70%, increasing from PKR 7.1 billion to Rs 12.3 billion, supported by the launch of its first in-house digital SCF solution and the scaling up of distributor financing programs through strategic Fintech collaboration. The addition of 11 new corporate relationships further enhanced SME outreach and positioned the platform for sustainable growth, reflecting the Bank's digital vision and commitment to responsible, inclusive financing.

Financial inclusion, digital transformation, and human capital development remain central to the Bank's strategic priorities. The Bank continued to enhance access to Shariah-compliant financial solutions for SMEs, agriculture, women entrepreneurs, and youth through its nationwide branch network and digital channels.

Our People

Meezan Bank's people remain the cornerstone of its success and caring for our people remains central to Meezan Bank's culture. During the year, the Employee Benevolent Trust (EBFT) continued to play a vital role in supporting the well-being of our people and their families. Through medical assistance, support to families of

deceased colleagues, relief for flood-affected staff, and assistance for marriage and education, the Trust disbursed over Rs 445 million, benefiting more than 990 employees and their families.

Through the Meezan Scholar Policy, the Bank supports the higher education of over 270 children, including 260 students enrolled in Bachelor's programmes and over 15 in Master's/MPhil programmes. In addition, the annual Hajj Sponsorship Programme was continued, enabling 10 employees to perform Hajj along with one dependent each, with 100% sponsorship for employees and 50% sponsorship for their dependents.

To strengthen long-term engagement and retention, the Employee Share Option Scheme (ESOS) remained in place. Under this scheme, approximately 5.8 million shares were allocated to over 700 employees during 2025, reinforcing talent motivation and alignment with the Bank's long-term objectives.

Human capital development remained central to the Bank's culture. More than 1,000 training programmes were conducted during the year, covering leadership development, Islamic banking, compliance, governance, and functional skills, benefiting nearly 17,700 employees.

Board's Performance and Effectiveness

The Board of Directors provided strong and effective oversight during the year, marked by sound judgment, strategic direction, and robust governance practices. The Board's collective contribution was instrumental in guiding the Bank through a dynamic operating environment—enabling it to manage challenges effectively, pursue growth opportunities, and reinforce its leadership position in Pakistan's Islamic banking sector.

Recognizing the Trust and Support of Our Stakeholders

All the progress, resilience, and achievements reflected in this Annual Report have only been possible by the blessings & mercy of Allah (ﷻ). We bow our heads in gratitude for His guidance, for placing barakah in our collective efforts, and for enabling Meezan Bank to uphold the principles of balance, justice, and trust that lie at the heart of Islamic banking.

I extend my sincere congratulations to the State Bank of Pakistan for once again being recognised as the Best Central Bank in Promoting Islamic Finance by Islamic Finance News, Malaysia. Masha'Allah, this honour underscores the central bank's vital role and steadfast support in advancing Islamic finance and strengthening Pakistan's position in the global Islamic financial landscape.

I would also like to express my appreciation to the State Bank of Pakistan, the Ministry of Finance, and the Securities & Exchange Commission of Pakistan for their continued guidance and support in strengthening the Islamic financial system in the country. I am equally grateful to our shareholders, members of the Shariah Board, my fellow Board members, and the entire Meezan team for their dedication, professionalism, and unwavering commitment to the Bank's mission.

Finally, I extend my sincere gratitude to our customers for their trust in a Riba-free financial system. Their confidence continues to motivate our efforts and strengthens our commitment to serve with sincerity, excellence, and a strong sense of responsibility. We pray that Allah (ﷻ) accepts our intentions, strengthens what is good, forgives our shortcomings, and enables Meezan Bank to continue serving both Islamic banking and Pakistan with integrity and distinction in the years ahead.



Riyadh S. A. A. Edrees
Chairman

February 09, 2026

Directors' Report to the Members

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

On behalf of the Board of Directors, we are pleased to present the twenty-ninth Annual Report of Meezan Bank for the year ended December 31, 2025.

Economy

Pakistan's macroeconomic environment showed a clear return to stability during 2025, despite intermittent disruptions, including monsoon-related floods that temporarily slowed the pace of recovery. The improving outlook reflects the impact of disciplined policy measures and structural reforms implemented by the Federal Government. Targeted actions to stabilise key macroeconomic indicators and restore investor confidence helped reverse the earlier economic slowdown while laying the groundwork for sustainable long-term growth.

Economic momentum strengthened in Q1 FY 2026, with GDP growth of 3.71%, an improvement of 215 basis points over the corresponding quarter of FY 2025. This recovery was underpinned by increased industrial activity, resilient agricultural performance, easing inflationary pressures and an improving external account position. On the back of these strengthening fundamentals, growth momentum is expected to be sustained into FY 2026.

Inflation continued its downward trend during the year, reaching 0.3% in April 2025, the lowest level observed in nearly six decades. A modest and temporary uptick was observed later in the year, primarily due to flood-related supply disruptions. In response to the benign inflationary environment, the State Bank of Pakistan (SBP) maintained a measured monetary easing cycle, reducing the policy rate by a cumulative 250 basis points from 13.0% at the beginning of the year to 10.5% by year-end.

Capital markets continued to reflect the improving macroeconomic backdrop. The Pakistan Stock Exchange (PSX) sustained its historic upward momentum throughout the year, crossing 170,000 points and closing the year at 174,054 points, representing a year-on-year increase of 51%. This performance positioned the PSX among the world's best-performing equity markets, supported by improving fundamentals and strong investor confidence.

Workers' remittances rose to USD 19.7 billion during the first half of FY 2026, an increase of 11% year-on-year. Foreign exchange reserves improved to over USD 21 billion by the end of December 2025, compared to USD 15.9 billion a year earlier. During the year, Pakistan received cumulative disbursements of USD 2.6 billion from the International Monetary Fund (IMF) under the Extended Fund Facility (EFF). Alongside structural reforms aimed at reducing foreign exchange market volatility, these inflows contributed to relative stability in Pakistani Rupee, which depreciated marginally to Rs 280.1 per US dollar at year-end, compared to Rs 278.6 in the prior year.

Overall, Pakistan appears well positioned for a sustained economic recovery, underpinned by easing inflationary pressures, a supportive monetary policy stance, strengthening foreign exchange reserves, a manageable current account deficit and the continuation of the 37-month funding arrangement under the IMF programme.

Our Performance

Profit After Tax

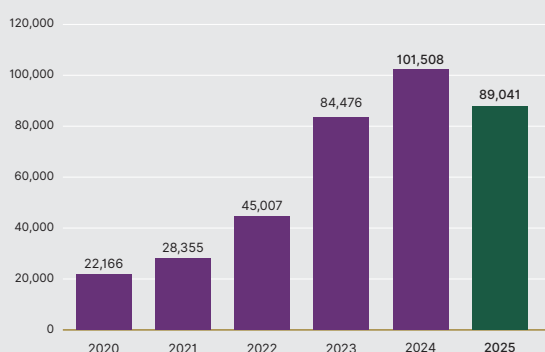
Meezan Bank demonstrated resilience and continued to deliver solid financial performance in 2025. Profit After Tax (PAT) amounted to Rs 89 billion, compared to Rs 101.5 billion in the preceding year. The moderation in earnings was primarily attributable to a significantly lower policy rate environment and the implementation of a minimum deposit rate for Islamic banks during 2025. Notwithstanding these challenges, the Bank maintained robust profitability and financial strength, with basic Earnings per Share (EPS) recorded at Rs 49.54 for the year, underscoring the sustainability and resilience of its business model.

Dividend Per Share

We are pleased to announce that the Board has approved a final cash dividend of Rs 7.00 (70%) per share for the fourth quarter of 2025. This takes the cumulative cash dividend for the year to Rs 28.00 (280%) per share, inclusive of an interim cash dividend of Rs 21.00 (210%) per share distributed during the year. Alhamdulillah, the Bank remains proud of its longstanding record of uninterrupted dividend pay-outs since its listing on the Stock Exchange. The Bank has consistently followed a prudent and balanced approach between dividend distribution and profit retention, thereby supporting the continued strengthening and expansion of its equity base.

Profit After Tax

Rupees in Million



Profit and Loss Summary

Profit and Loss Account	Rs in Million	
	2025	2024
Profit / return earned on financings, investments and placements	420,462	494,297
Return on deposits and other dues expensed	(167,990)	(207,257)
Net spread earned	252,472	287,039
Fee, commission income and other income	24,152	22,529
Foreign exchange income	5,479	830
Dividend income and gain on securities - net	3,002	5,520
Non-funded and other income	32,632	28,878
Total income	285,104	315,917
Operating and other expenses	(86,800)	(84,611)
Profit before provisions	198,304	231,306
Provisions and write offs - net	(3,886)	(9,221)
Profit before taxation	194,418	222,085
Taxation	(105,377)	(120,578)
Profit after taxation	89,041	101,508
Basic Earnings Per Share - Rs	49.54	56.62
Diluted Earnings Per Share - Rs	49.22	56.30

Profitability

Net Spread

The return on financings, investments and placements amounted to Rs 420 billion in 2025, reflecting a year-on-year decrease of 15% compared to Rs 494 billion in the previous year. This was primarily driven by a sharp decline in the underlying benchmark rate, which averaged 11.4% during 2025 versus 19.7% in 2024. Concurrently, the Bank's continued emphasis on expanding its low-cost deposit base yielded tangible benefits, with the return on deposits and other dues expensed declining by 19% to Rs 168 billion in 2025 from Rs 207 billion in 2024, thereby partially offsetting the impact of lower yields.

13% Growth in Other Income

Fee, commission and other income registered a growth of 7% to Rs 24.2 billion in 2025, compared to Rs 22.5 billion in the preceding year. The increase was primarily driven by higher debit card issuances, growth in trade-related business volumes and improved performance in branch banking and investment banking activities.

In 2025, Meezan Bank set a new industry benchmark with debit card spending exceeding Rs 410 billion, a 33% year-on-year increase and achieved a historic monthly spend of over Rs 41 billion in December 2025 - the highest in the industry. The Bank issued approximately 1.6 million new debit cards during the year, bringing the total portfolio to around 4.7 million cards, an 18% growth over December 2024. Additionally, Meezan Bank launched the Meezan Visa Student Debit Card, a pioneering financial inclusion initiative for the youth of Pakistan, which received global recognition at the Visa Payment Forum 2025 in Barcelona as the first product of its kind.

Meezan Bank continued to strengthen its leadership in digital fund transfers, playing a significant role in advancing payment digitization across Pakistan. The Bank's Mobile Banking App and Internet Banking platforms remained the preferred channels for secure and efficient money transfers.

In 2025, these platforms processed over 503.13 million transactions with a total value of approximately Rs 26.98 trillion, reflecting year-on-year growth of 43% in transaction volume and 55% in transaction value. Of this, 155.3 million transactions amounting to Rs 15.26 trillion were conducted within Meezan Bank accounts, while 347.8 million transactions valued at Rs 11.71 trillion were processed through 1Link and Raast to other banks. This performance highlights the scale of the Bank's digital operations and the growing customer confidence in its digital payment infrastructure.

In 2025, Meezan Bank achieved a significant shift of customer transactions from Over-the-Counter (OTC) channels to digital platforms, driven by targeted awareness initiatives, improved user experience and enhanced channel reliability. By the final quarter, 93.6% of total customer transactions were conducted digitally, with Mobile and Internet Banking increasingly used for routine services such as fund transfers, bill payments and interbank transactions. This migration delivered tangible operational efficiencies, reduced branch footfall and processing costs and improved customer convenience and turnaround times, while supporting the Bank's strategic objectives of scalability, efficiency and digital financial inclusion.

In 2025, the Bank's home remittance volumes exceeded \$2.5 billion, registering a growth of 109% over 2024 volumes. With focus on striking a balance between import and export businesses, the Bank was able to grow its

trade-related income by 18% to Rs 6.1 billion in 2025. The Bank also earned foreign exchange income of Rs 5.5 billion this year compared to Rs 830 million in 2024.

Overall, the Bank's total non-funded and other income recorded a strong and commendable growth of 13%, reaching Rs 32.6 billion in 2025, underscoring the successful diversification of revenue streams and the strength of the Bank's core franchise.

Operating Expenses

The Bank's operating and other expenditures increased by 3% year-on-year to Rs 86.8 billion, compared to Rs 84.6 billion in the previous year, largely reflecting strategic investments in business expansion. During the year, the Bank added 54 new branches nationwide, increasing the total branch network to 1,105 branches and further strengthening its geographical footprint. Consequently, the cost-to-income ratio increased from 27% in 2024 to 30% in 2025, primarily due to the expansion of the Bank's physical presence, alongside the impact of relatively subdued revenue levels during the year due to decline in policy rate.

Taxation – Contribution to the National Exchequer

The Bank's tax charge for 2025 amounted to Rs 105.4 billion, compared to Rs 120.6 billion in 2024. This decrease primarily reflects the year-on-year moderation in profitability. Additionally, we also collected / withheld and deposited Rs 48.4 billion (2024: Rs 61.0 billion) in the National Exchequer, on account of Income Tax / Federal Excise Duty / Provincial Sales Tax on Services, as withholding tax agent on behalf of the Federal and Provincial Tax Authorities.

Balance Sheet Insights

The Bank's total assets reached Rs 4.8 trillion by the end of 2025, reflecting a robust growth of 23% over December 2024. This strong expansion was driven by significant growth in the Bank's financing portfolio, alongside continued strategic investments in Federal Government securities, underscoring the Bank's sustained balance sheet strength and growth momentum. The balance sheet growth was supported through substantial growth of 28% in deposits.

A snapshot of key business results achieved during the year is as under:

Key Business Results	2025	2024	Variation
Total Assets	Rs 4.81 Trillion	Rs 3.90 Trillion	23% ▲
Investments			
Sovereign	Rs 2.57 Trillion	Rs 1.84 Trillion	39% ▲
Others	Rs 31 Billion	Rs 27 Billion	14% ▲
	Rs 2.60 Trillion	Rs 1.87 Trillion	39% ▲
Islamic Financings and Related Assets - Gross	Rs 1.69 Trillion	Rs 1.56 Trillion	8% ▲
Deposits	Rs 3.30 Trillion	Rs 2.58 Trillion	28% ▲
Equity	Rs 279 Billion	Rs 247 Billion	13% ▲
Capital Adequacy Ratio	19.20%	20.35%	-6% ▼
Dividend per share:			
Cash Dividend - Rs	28.00	28.00	0%
Bonus Issue	0%	0%	0%
Branch network	1,105 Branches	1,051 Branches	5% ▲
Presence	363 Cities	351 Cities	3% ▲
Trade Business (Imports and Exports)	Rs 2.94 Trillion	Rs 2.74 Trillion	8% ▲

Growth in Investments

Meezan Bank's investment portfolio reached Rs 2.6 trillion as of December 2025, representing a remarkable growth of 39% compared to December 2024, reflecting the Bank's strategic focus on high-quality, Shariah-compliant investments and strong balance sheet management. The regular issuance of GoP Ijarah Sukuk has been a key driver in expanding the investment book, with overall sovereign / government guaranteed securities comprising 99% of the Bank's total investment portfolio.

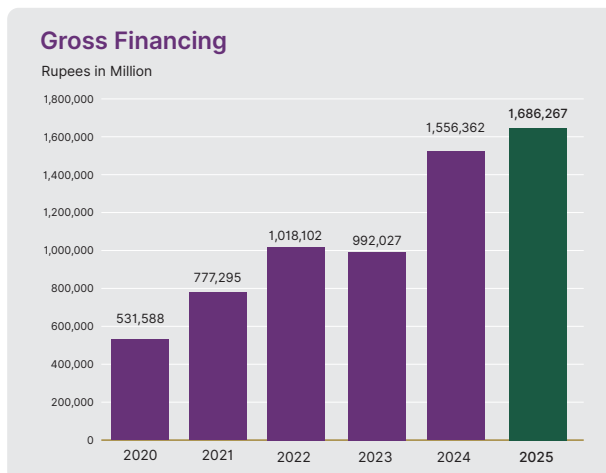
Rs 2.6 Tr

Investment Portfolio

The implementation of SBP's Shariah-compliant Open Market Operations (OMO-Injections) and Shariah-compliant Standing Ceiling Facility has played a pivotal role in supporting the day-to-day liquidity management of the Islamic Banking Industry (IBI). The Bank expresses its appreciation to the Government of Pakistan and the State Bank of Pakistan for their continued support in this regard.

Expansion of Gross Financings Portfolio

During the year, the Bank's gross financing portfolio recorded growth of 8%, reaching Rs 1.69 trillion as at year-end, compared to Rs 1.56 trillion as at the end of 2024. This growth was achieved while the Bank maintained an Advances-to-Deposits Ratio (ADR) above 50%.



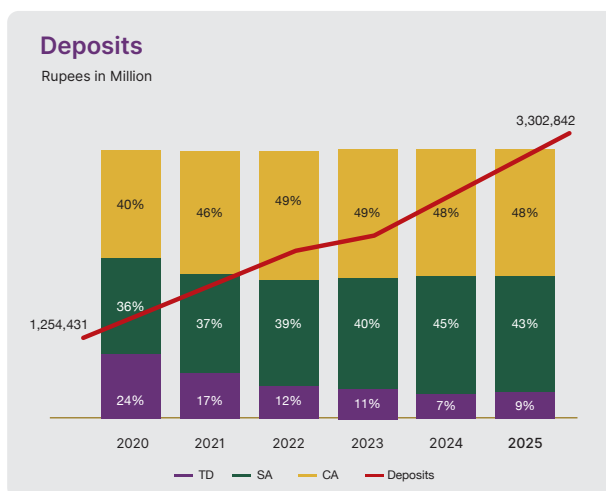
Non-Performing Financings and Provisions

As at the end of 2025, the Bank's non-performing financings amounted to Rs 31 billion, against total credit loss allowances of Rs 45.3 billion. During the year, a credit loss allowance charge of Rs 9.1 billion was recognized, compared to Rs 12.2 billion in the previous year. The Bank maintained a non-performing financing coverage ratio of 146%, which remains among the highest in the banking industry.

Deposit base of over Rs 3.3 trillion - Growth stemming from core Current & Savings Account

During the year, Meezan Bank's deposits surpassed the significant milestone of Rs 3 trillion, registering growth of 28% to reach Rs 3.3 trillion as at the end of 2025, compared to Rs 2.6 trillion at the end of the previous year.

Current and Savings Accounts (CASA) constituted 91% of the Bank's total deposit portfolio, with CASA balances surpassing Rs 3 trillion during the year. This reflects the Bank's continued focus on expanding its low-cost deposit base. Meezan Bank's total deposits accounted for 8.8% of the overall banking industry's deposits. The continued growth in the Bank's deposit base reflects the strong trust and confidence placed by customers in the Meezan brand. This achievement underscores the collective efforts of the Bank's team in building enduring customer relationships, delivering service excellence and consistently upholding the core values of Shariah compliance, integrity and service quality that underpin the Bank's business model.



The Bank's Current Account deposits increased by Rs 361 billion, representing growth of 29% over the previous year. Savings Account (SA) deposits reached Rs 1.4 trillion as at year-end, reflecting an increase of Rs 250 billion, or 21%, compared to December 2024.

Roshan Digital Account (RDA)

Meezan Bank continues to maintain its leading position in the Roshan Digital Account (RDA) segment, playing a key role in supporting Pakistan's economy. The Bank has approximately 149,000 active RDA accounts, with a market share of 17% by number of accounts and 29% by total inflows.

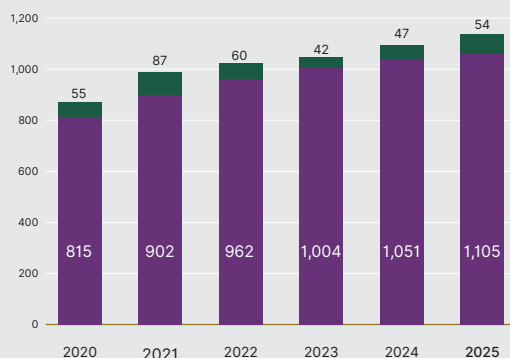
Key achievements during 2025 include:

- A leading position in cumulative fund inflows, exceeding USD 3.4 billion since inception.
- Market leadership in Roshan Equity accounts, with investments exceeding Rs 12.76 billion since inception.
- Investments in mutual funds surpassing Rs 4.7 billion since inception.
- Roshan Apni Car (RAC) disbursements exceeding Rs 3 billion since inception.

Rich Physical Presence with 1,105 Branches in 363 Cities

During the year, Meezan Bank expanded its physical branch network by 54 branches, bringing the total to 1,105 branches across 363 cities as at the end of 2025. The Bank continues to believe that sustained growth across both physical and digital channels is essential to effectively serve the country's diverse and geographically dispersed unbanked population. Accordingly, the Bank remains focused on delivering seamless and superior services through an integrated physical and digital presence, aimed at strengthening brand loyalty, customer trust and overall satisfaction.

Branch Network in 363 Cities



Meezan Mobile App

Meezan Bank's Mobile Banking App continued to deliver strong performance in 2025, further consolidating its position as one of Pakistan's leading digital banking platforms. Renowned for its user-friendly interface, intuitive functionality, system reliability and high availability, the App has emerged as a preferred banking channel for an expanding customer base.

By the end of the year, registered users of the App surpassed 4.3 million, reflecting a 40% year-on-year increase in digital adoption. During 2025, the platform processed 552.42 million financial transactions, representing a 40% growth in transaction volumes. The total value of transactions reached Rs 27.92 trillion, an increase of 54% over the previous year, underscoring the App's growing significance in customers' day-to-day financial activities.

The Mobile Banking App remained the primary channel for fund transfers and bill payments, highlighting a continued shift in customer preferences towards digital self-service. Customer confidence in the platform remained strong, as evidenced by its industry-leading ratings on both the Google Play Store and Apple App Store, which have been consistently maintained for more than six consecutive years.

Meezan Bank also reinforced its leadership in retail digital transactions, as reflected in 1Link's Monthly Ranking Reports. In 2025, the Bank accounted for over 32.5% of all transactions processed through the 1Link network, marking a 57% increase compared to the previous year. This sustained performance reaffirms Meezan Bank's position as the leading bank in overall digital transaction throughput, driven largely by the continued growth and performance of the Meezan Mobile App.

ATM Network

Over the years, Meezan Bank Limited has continued to expand its ATM network with a strategic focus on enhancing customer accessibility and convenience. As at 31 December 2025, the Bank's ATM network comprised over 1,300 ATMs across 347 cities. This comprised 196 off-site ATMs and 1,125 on-site ATMs,

including 68 branches fitted with dual ATMs and two branches equipped with triple ATMs, enabling efficient handling of high transaction volumes and reduced customer waiting and queuing times. To further address market requirements, the Bank also deployed a branch on wheels offering mobile ATM and banking services to cater to customers' banking needs at designated locations.

During 2025, the ATM network maintained an uptime of 97.11%, facilitating 133.97 million successful transactions, reflecting a 13% increase compared to the previous year. Cash withdrawals through ATMs amounted to Rs 2.69 trillion, representing a year-on-year growth of 25%, underscoring customers' continued trust in the Bank's services.

In line with industry developments, digitalisation initiatives and customers' increasing preference for digital channels, the Bank deployed 24 Cash Deposit Machines at locations with high deposit volumes. This expanded network supports the Bank's digital transformation strategy by providing customers with convenient, 24/7 real-time cash deposit facilities. During 2025, a total of 175,439 successful deposit transactions were processed through these machines, amounting to Rs 19.79 billion.

Merchant Acquiring Business and E-commerce Gateway

Meezan Bank continues to play a pivotal role in Pakistan's digital transformation by facilitating a structural shift from cash-based transactions to digital platforms through its Acquiring Business. The Bank's acquiring footprint has expanded substantially, covering more than 45,288 merchants across 334 cities. Financial inclusion remains a core focus, with approximately 50% of total transaction volumes originating from SME merchants, underscoring the Bank's commitment to empowering lower-tier businesses and expanding access in previously underserved markets.

In this landmark performance year, the Bank's combined POS and e-commerce transaction volumes reached Rs 420 billion, reflecting a robust year-on-year growth of 86.7%. This strong momentum culminated in a record-breaking performance in December 2025, with monthly transaction volumes exceeding Rs 45.6 billion.

Credit Rating

VIS Credit Rating Company Limited reaffirmed the Bank's entity ratings at 'AAA/A-1+' (Triple A / A-One Plus), reflecting the highest level of credit quality with minimal risk factors. The outlook on the assigned ratings remains 'Stable'.

Capital Adequacy Ratio

Meezan remains an adequately capitalized institution with a Capital Adequacy Ratio (CAR) of 19.20% (Dec'24: 20.35%), well above the regulatory minimum requirement of 11.50% for the year 2025:

Capital Adequacy Ratio (CAR)	Dec 31, 2025	Dec 31, 2024	Minimum Requirement
Common Equity Tier I – (CET I)	16.45%	16.36%	7.50%
Tier I	16.89%	16.88%	9.00%
CAR	19.20%	20.35%	11.50%

Human Capital

During 2025, Meezan Bank continued its strategic focus on identifying, attracting, and developing Islamic banking talent nationwide, onboarding over 3,800 employees to support its expanding operations across both rural and urban markets. Consequently, the Bank's total human capital base exceeded 20,000 employees. Meezan Bank remains committed to fostering a dynamic, professionally competent, and values-driven workforce capable of delivering a world-class, Shariah-compliant banking experience to its customers.

The Bank reaffirmed its commitment to inclusivity and equal opportunity through the continued implementation of its Roshnaas programme, a dedicated trainee initiative for Persons with Disabilities (PWDs), aimed at enhancing employability, promoting independence, and cultivating an inclusive and respectful workplace culture. In addition, more than 800 female professionals joined the Bank during the year, further strengthening workforce diversity and inclusion.

Learning and development remained a key strategic priority, with training delivered through a blended approach encompassing Virtual Instructor-Led Trainings (VILTs), the Learning Management System (LMS), and in-person sessions, resulting in over 17,000 staff participations during the year. The Bank also sustained its investment in people development through leadership development programmes, functional capacity-building initiatives, and specialized Islamic finance programmes, aimed at enhancing professional excellence and deepening Islamic banking expertise.

Performance of Subsidiary – Al Meezan Investment Management Limited

The Bank's subsidiary, Al Meezan Investment Management Limited (Al Meezan), is the largest asset management company (AMC) in Pakistan, with assets under management (AUMs) exceeding Rs 724 billion as at December 2025. This includes separately managed accounts (SMAs) for corporate clients and high-net-worth individuals, supported by an investor base of over 530,000 customers. Excluding SMAs, Al Meezan's AUMs represent approximately 15% of the total mutual funds industry and 32% of the Shariah-compliant mutual funds industry in Pakistan. The Company also manages the country's largest voluntary pension fund, the Meezan-Tahaffuz Pension Fund, with net assets of approximately Rs 41 billion as at December 2025.

During the year, Al Meezan received multiple prestigious awards in recognition of its leadership and excellence in Shariah-compliant asset management. These included 'Best Asset Management Company of the Year' at the 19th Consumer Choice Awards, 'Asset Management Company of the Decade (2016–2025)' at the IFFSA Awards, 'Asset Management Company of the Year 2024–25 (Gold)' at the 10th IFFSA Awards, 'Best Shariah-Compliant Asset Manager 2025 – Pakistan' at the Worldwide Finance Awards and 'Best Banking Tech of the Year' at the Pakistan Digital Awards for Raast, IBFT and Bill Payment Services. These accolades underscore the Company's continued commitment to delivering best-in-class, innovative Shariah-compliant investment solutions and further reinforce its position as the leading AMC in Pakistan.

Al Meezan's products and services are accessible through a physical network of 28 branches across 13 cities, complemented by digital channels and the extensive distribution network of Meezan Bank branches. Its digital outreach extends internationally, enabling overseas Pakistanis to access its offerings through the Roshan Digital Account (RDA) initiative.

With a proven track record spanning over 30 years in fund management, Al Meezan holds the distinction of being the first AMC in Pakistan to receive the highest management quality rating of AM1 from both VIS and PACRA.

Performance of Subsidiary – Meezan Currency Exchange Limited

Meezan Exchange Company (Private) Limited (MECL), a wholly owned subsidiary of Meezan Bank Limited, commenced operations in 2024 with the objective of strengthening the Group's footprint in the regulated foreign exchange market and enhancing customer access nationwide. During its inaugural year, MECL expanded its network to 50 branches across Pakistan. The Company also successfully initiated exports of permissible foreign currencies, contributing to improved market liquidity and diversification of revenue streams. MECL exhibited strong operational resilience during the year through disciplined execution, effective branch management and strict adherence to internal control systems and regulatory requirements. The Company ranked among the top three performing banking exchange companies in Pakistan, underscoring robust market acceptance and operational credibility.

Looking ahead, management remains committed to improving branch productivity, enhancing customer experience, broadening permissible product offerings and maintaining high standards of compliance, with a view to achieving sustainable growth and long-term value creation for the Group.

Retirement of the Founder President & CEO of Meezan Bank, Mr. Irfan Siddiqui and the Appointment of the new President & CEO, Dr. Syed Amir Ali

The year 2025 marked the retirement of Mr. Irfan Siddiqui, Founder, President & CEO of Meezan Bank. Over a distinguished career spanning several decades, he played a seminal role in establishing Meezan Bank as Pakistan's first Islamic commercial bank and in guiding its evolution into one of the country's leading banking institutions. A seasoned banking professional with extensive experience in Islamic banking, Mr. Siddiqui provided visionary leadership in shaping Pakistan's Islamic finance landscape, strengthening governance frameworks, and promoting Shariah-compliant financial solutions. He is widely regarded as a pioneer of the Islamic banking industry in Pakistan, with his vision and leadership making a lasting contribution to the development of the sector.

Following the retirement of Mr. Irfan Siddiqui, Dr. Syed Amir Ali assumed office as Chief Executive Officer, with a commitment to build upon and continue the strategic direction and growth momentum laid down by the Founder. Dr. Syed Amir Ali, President & Chief Executive Officer of Meezan Bank, holds a PhD in Business Administration with his doctoral research focused on SME financing through the Islamic Digital Banking Ecosystem and is a CFA Charter Holder and Chartered Accountant. He started his banking career with Meezan

Bank in 2006 and rising through different management positions in Meezan Bank went on to become President & CEO of another Islamic Bank. He rejoined Meezan Bank in 2023 as Deputy and Designated CEO. His extensive expertise in Islamic financial services will continue to support Meezan Bank's strategic growth and leadership in the Islamic banking industry.

Outlook

Meezan Bank remains committed to supporting the economic growth and financial stability of the country through the continued development of the Islamic banking industry. The Bank is aligned with the Government's strategic focus on Islamic finance, in accordance with the Constitution of Pakistan, to facilitate the transition of the national economy towards a Shariah-compliant financial system. The Bank's strategy emphasizes balanced and sustainable growth, sectoral diversification and the maintenance of regulatory and financial stability well above prescribed benchmarks. Meezan Bank continues to expand its footprint through both physical and digital channels, with a strong emphasis on delivering best-in-class digital banking solutions to sustain its leadership position in the industry.

Auditors

The present auditors, A. F. Ferguson & Co., Chartered Accountants, a member firm of the PwC network, retire and being eligible, offer themselves for reappointment. As required under the Listed Companies (Code of Corporate Governance) Regulations 2019, the Board and the Audit Committee have recommended the appointment of A. F. Ferguson & Co., Chartered Accountants as auditors of the Bank, for the year ending December 31, 2026.

Awards and Recognitions

Meezan has achieved several prestigious recognitions during the year that include the following:



Pakistan Banking Awards

Meezan Bank achieved a significant milestone in 2025 by securing the Best Bank Award for a record fifth time and for the third consecutive year by the Pakistan Banking Awards. This achievement underscores the Bank's sustained leadership, strong financial performance and commitment to excellence across all areas of operations. The Pakistan Banking Awards, one of the most prestigious recognitions in Pakistan's financial sector, is conferred by the NIBAF in partnership with Dawn Media Group and A.F. Ferguson & Company, following a rigorous evaluation by an independent panel of distinguished industry experts. The Bank's previous wins in 2018, 2020, 2023 and 2024 further demonstrate its consistent ability to deliver superior value to stakeholders and maintain the highest standards of governance and service quality.

CFA Society Pakistan

Alhamdulillah, Meezan Bank was awarded the Best Bank of the Year – Large Size Banks by CFA Society Pakistan

for the sixth consecutive year, competing against the country's largest banks. In addition, the Bank was honoured as the Best Islamic Bank of the Year in recognition of its outstanding performance, innovation and leadership in Islamic finance, marking 15 years of this prestigious distinction. Meezan Bank has been consistently recognised by CFA Society Pakistan for its excellence in delivering Shariah-compliant financial solutions and its continued commitment to meeting the evolving needs of a diverse customer base.

Management Association of Pakistan

Meezan Bank was also conferred the Best Company in the Financial Category award at the 40th Corporate Excellence Awards organised by the Management Association of Pakistan (MAP). The Bank secured this prestigious recognition for the fourth consecutive year, reflecting its sustained contributions to the growth and success of Islamic banking in Pakistan.

Endorsements

The Board of Directors is pleased to endorse the following statements in the Annual Report:

- Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019;
- Profit after tax amounting to Rs 8.9 billion has been transferred to Statutory Reserves for the year 2025 as required under Banking Companies Ordinance, 1962;
- Risk management framework of the Bank;
- Statement made by the Management relating to internal controls over financial reporting along with overall internal controls;
- The pattern of Shareholding as at December 31, 2025;
- Corporate Social Responsibility Disclosures.

Directors

The Board consists of ten (10) Directors, including one Female Director and the CEO is a Deemed Director:

S. No.	Name of Directors	Category
1.	Mr. Riyadh S.A.A. Edrees	Non-Executive Director
2.	Mr. Bader H.A.M.A. AlRabiah	Non-Executive Director
3.	Mr. Tariq Mahmood Pasha	Non-Executive Director
4.	Mr. Irfan Siddiqui ¹	Non-Executive Director
5.	Mr. Saad Ur Rahman Khan	Non-Executive Director
6.	Mr. Faisal Fahad AlMuzaini	Non-Executive Director
7.	Mr. Zine Elabidine Bachiri	Non-Executive Director
8.	Mr. Abdulrazzaq T.A.M. Razooqi	Independent Director
9.	Mr. Mohammad Abdul Aleem	Independent Director
10.	Ms. Nausheen Ahmad	Independent Director/ Female Director
11.	Dr. Syed Amir Ali ² (President & CEO)	Executive Director

¹Mr. Irfan Siddiqui, Founder President & CEO of Meezan Bank, retired from his position of President & CEO with effect from December 29, 2025.

²Dr. Syed Amir Ali assumed charge as the new President & CEO of Meezan Bank with effect from December 30, 2025. Mr. Irfan Siddiqui will continue to serve as a Member of the Board of Directors of the Bank.

During the year, four meetings of the Board of Directors were held. The record of the Board meetings held during the year and attended by the Directors is as follows:

Name of Directors	Category	No. of meetings held in tenure	No. of meetings attended
Mr. Riyadh S.A.A. Edrees	Non-Executive Director	4	4
Mr. Bader H.A.M.A. AlRabiah	Non-Executive Director	4	3
Mr. Tariq Mahmood Pasha	Non-Executive Director	4	4
Mr. Irfan Siddiqui	Non-Executive Director	4	4
Mr. Saad Ur Rahman Khan	Non-Executive Director	4	4
Mr. Faisal Fahad AlMuzaini	Non-Executive Director	4	4
Mr. Zine Elabidine Bachiri	Non-Executive Director	4	3
Mr. Abdulrazzaq T.A.M. Razooqi	Independent Director	4	4
Mr. Mohammad Abdul Aleem	Independent Director	4	4
Ms. Nausheen Ahmad	Independent Director/Female Director	4	4
Dr. Syed Amir Ali (President & CEO) ¹	Executive Director	4	4

¹Dr. Syed Amir Ali has assumed charge as the new President & CEO of Meezan Bank with effect from December 30, 2025. He attended these meetings by invitation, during his tenure as Deputy CEO.

The Board has constituted the following five Committees with defined Terms of Reference (ToRs):

1. Board Human Resources, Remuneration and Compensation Committee
2. Board Risk Management Committee
3. Board Audit Committee
4. Board Information Technology Committee
5. Board IFRS 9 Committee

The TORs of these Committees along with the names of members and their attendance in Board Committee Meetings held during the year are included in the Annual Report. 

Remuneration of Board members is recommended by the Board and approved by shareholders in the General Meeting. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his / her own remuneration. The Bank does not pay any remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Bank's remuneration policies are structured in line with the SBP regulations, prevailing industry trends and business practices. For information on remuneration of Directors and CEO in 2025, please refer notes to the financial statements. 

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.

Performance Evaluation Mechanism for the Board

Members of the Board of Directors and its sub committees are competent and experienced individuals, representing diversified educational and vocational backgrounds which are invaluable in determining the overall direction of the organization.

The Board of Directors is keen to ensure that it reviews the effectiveness of its performance periodically. To that end, all individual Board members answer a comprehensive questionnaire focused on evaluating, from various angles, whether the Board has discharged its duties diligently and with foresight. A committee of Directors is designated to manage the Board's self-evaluation exercise and present its findings to the Board for deliberation and discussion.

During the self-evaluation exercise, the Board evaluates itself from the following perspectives:

- Evaluation of the overall Board
- Evaluation of the Chairperson
- Evaluation of Individual Directors
- Evaluation of Independent Directors
- Evaluation of Board Committees
- Evaluation of the CEO

This exercise in critical self-assessment allows the Board to evaluate its performance and overall effectiveness in setting strategies, devising controls, reading market trends by monitoring micro and macroeconomic factors and responding to adverse unforeseen situations to further the cause of a learning organization. This process also ensures that the Board is constantly growing intellectually and the responsibility of steering the Bank to new heights of success is discharged effectively and efficiently.

The SBP Guidelines require that at least once in every three years, the evaluation should be conducted by an external independent evaluator. The Bank engaged Pakistan Institute of Corporate Governance (PICG) as an independent evaluator to conduct this evaluation in 2018, 2021 and 2024 while for 2025 this exercise is conducted by adopting an in-house approach, as per SBP guidelines.

Acknowledgement

The Board expresses its sincere appreciation to the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan for their continued commitment to the development of a sustainable Islamic financial system in the country. The Bank's achievements would not have been possible without the steadfast support and confidence of its diverse customer base, for which we are deeply grateful. The Board also acknowledges with gratitude the continued guidance and patronage of the Board of Directors, the members of the Shariah Board, our shareholders and the holders of Additional Tier I Sukuk and Subordinated Sukuk (Tier II), whose support has been instrumental in positioning Meezan Bank as the leading Islamic bank in Pakistan.

The Board further extends its appreciation to all employees for their dedication, professionalism and tireless efforts in advancing the mission of Islamic banking. Above all, we humbly express our gratitude to Allah Almighty for His continued blessings upon the Bank and its people, which have enabled these accomplishments within a relatively short period. We pray for His continued guidance and strength as we strive to further our Vision of establishing 'Islamic banking as banking of first choice...'

On behalf of the Board



Riyadh S.A.A. Edrees
Chairman

Karachi:
February 9, 2026



Dr. Syed Amir Ali
President & CEO

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دوران سال بورڈ کے چار اجلاس ہوئے۔ ان اجلاسوں اور ان میں شرکت کرنے والے ڈائریکٹرز کی تفصیل درج ذیل کے مطابق ہے:

ڈائریکٹر کے نام	درجہ	دوران مدت منعقدہ اجلاس	اجلاس میں شرکت کی تعداد
جناب ریاض - اے۔ اے۔ اوریس	نان ایگزیکٹو ڈائریکٹر	4	4
جناب بدرالچنگ - اے۔ ایم۔ اے۔ الربیعہ	نان ایگزیکٹو ڈائریکٹر	4	3
جناب طارق محمود پاشا	نان ایگزیکٹو ڈائریکٹر	4	4
جناب عرفان صدیقی	نان ایگزیکٹو ڈائریکٹر	4	4
جناب سعد الرحمان خان	نان ایگزیکٹو ڈائریکٹر	4	4
جناب فیصل فہد الموزینی	نان ایگزیکٹو ڈائریکٹر	4	4
جناب زین العابدین بیہری	نان ایگزیکٹو ڈائریکٹر	4	3
جناب عبدالرزاق ٹی۔ اے۔ ایم رزوقی	انڈیپنڈنٹ ڈائریکٹر	4	4
جناب محمد عبدالعلیم	انڈیپنڈنٹ ڈائریکٹر	4	4
محترمہ نوشین احمد	انڈیپنڈنٹ ڈائریکٹر / خاتون ڈائریکٹر	4	4
ڈاکٹر سید عامر علی (پریزیڈنٹ اور سی ای او) ¹	ایگزیکٹو ڈائریکٹر	4	4

¹ ڈاکٹر سید عامر علی نے 30 دسمبر 2025 سے میزبان بینک کے نئے پریزیڈنٹ اور سی ای او کی حیثیت سے ذمہ داریاں سنبھالی ہیں۔ انھوں نے بطور ڈپٹی سی ای او اپنے عہدے کے دوران موصول ہونے والی دعوت کے ذریعے ان اجلاسوں میں شرکت کی۔

بورڈ نے واضح دستور العمل (ToRs) کے ساتھ درج ذیل پانچ کمیٹیاں تشکیل دی ہیں:

- 1- بورڈ ہیومن ریسورسز، ریمونریشن اینڈ کمپنیشن کمیٹی
- 2- بورڈ رسک مینجمنٹ کمیٹی
- 3- بورڈ آڈٹ کمیٹی
- 4- بورڈ انفارمیشن ٹیکنالوجی کمیٹی
- 5- بورڈ IFRS 9 کمیٹی

بورڈ کی طرف سے تشکیل دی جانے والی کمیٹیوں کے ممبران کے نام اور دوران سال منعقدہ اجلاسوں میں ان کی حاضری کی تفصیلات، مع ان کمیٹیوں کے ToRs، سالانہ رپورٹ میں شامل ہیں۔

بورڈ کے ممبران کا معاوضہ بورڈ کی طرف سے تجویز کیا جاتا ہے اور اس کی منظوری اجلاس عام میں حصص یافتگان کی طرف سے دی جاتی ہے۔ تاہم کوڈ آف کارپوریٹ گورننس کی تعمیل کے لیے یہ بات یقینی بنائی جاتی ہے کہ کوئی ڈائریکٹر خود اپنے معاوضے کا تعین نہیں کر سکتا۔ بینک نان ایگزیکٹو ڈائریکٹرز کو سوائے اجلاسوں میں شرکت کرنے کی فیس کے، اور کوئی معاوضہ نہیں دیتا۔ بہترین صلاحیتوں کے حامل افراد کو برقرار رکھنے کے لیے معاوضوں سے متعلق پالیسیوں کی تشکیل اسٹیٹ بینک آف پاکستان کی ریگولیشنز، صنعت کے موجودہ رجحانات اور کاروباری طریقوں کے مطابق کی جاتی ہے۔ 2025 میں

ڈائریکٹر اور سی ای او کے معاوضوں کی تفصیل کے لیے مالیاتی گوشواروں کے نکات ملاحظہ کریں۔

بینک بورڈ کے ممبران سے متعلق تصادم مفادات کے حل کے لیے ایک واضح پالیسی رکھتا ہے۔ اس پالیسی کے تحت کوئی ایسا بورڈ ممبر، جو بورڈ کے اجلاس میں پیش کیے جانے والے کسی معاملے میں کوئی کاروباری مفاد رکھتا ہو، وہ اس معاملے پر نہ تو بحث مباحثے، اور نہ ہی فیصلہ سازی میں شریک ہو سکتا ہے۔ اس پالیسی پر مستقل بنیادوں پر عمل درآمد کیا جاتا ہے اور اس سال مذکورہ پالیسی کی کوئی خلاف ورزی نہیں کی گئی۔

بورڈ کی کارکردگی کی جانچ کا طریقہ

بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹیاں متنوع تعلیمی اور پیشہ ورانہ پس منظر کے حامل اہل اور تجربہ کار افراد پر مشتمل ہیں، جو ادارے کی مجموعی سمت کے تعین میں انتہائی مفید کردار ادا کرتے ہیں۔ بورڈ آف ڈائریکٹرز یہ بات یقینی بنانے کے لیے ہمیشہ مستعد رہتا ہے کہ وہ اپنی کارکردگی کا میعاد کی جائزہ لے۔ اس وجہ سے تمام بورڈ ممبران فرداً فرداً ایک جامع سوال نامہ کا جواب دیتے ہیں جو مختلف زاویوں سے اس بات کی جانچ کرتا ہے کہ آیا بورڈ نے جاں فشانی اور دور اندیشی کے ساتھ اپنے فرائض کی ادائیگی کی ہے۔ ڈائریکٹرز کی ایک کمیٹی کو بورڈ کی خود تشخیصی مشق کا انتظام کرنے اور اس کے نتائج غور و خوض اور بحث کے لیے بورڈ کے سامنے پیش کرنے کے لیے نامزد کیا گیا ہے۔

خود تشخیصی مشق کے دوران بورڈ درج ذیل نقطہ ہائے نظر سے اپنی جانچ کرتا ہے:

- بورڈ کی مجموعی جانچ
- چیئر پرسن کی جانچ
- انفرادی طور پر ڈائریکٹرز کی جانچ
- انڈیپنڈنٹ ڈائریکٹرز کی جانچ

کے نظام کے ذریعے چھوٹے اور درمیانے درجے کے کاروبار کی فنانسنگ پر مرکوز رہی ہے۔ وہ سی ایف اے چارٹر ہولڈر اور چارٹرڈ اکاؤنٹنٹ بھی ہیں۔ انہوں نے اپنے بینکاری کے کیریئر کا آغاز 2006 میں میزان بینک سے کیا اور مختلف انتظامی عہدوں پر خدمات انجام دیتے ہوئے ایک اور اسلامی بینک کے صدر و CEO بھی رہے۔ بعد ازاں 2023 میں وہ میزان بینک میں ڈپٹی اور نامزد CEO کے طور پر دوبارہ شامل ہوئے۔ اسلامی مالیاتی خدمات میں ان کا وسیع تجربہ میزان بینک کی اسٹریٹجک ترقی اور اسلامی بینکاری کی صنعت میں اس کی قائدانہ حیثیت مزید مستحکم بنانے میں معاون ثابت ہوتا رہے گا۔

مستقبل کے آثار اور حکمت عملی

میزان بینک اسلامی بینکاری کی صنعت کی مسلسل ترقی کے ذریعے ملک کی معاشی نمو اور مالیاتی استحکام کو فروغ دینے کے اپنے عزم پر بدستور قائم ہے۔ ہم اسلامی مالیات کے فروغ کے لیے حکومت کی اسٹریٹجک توجہ کے ساتھ ہم آہنگ ہیں، جو آئین پاکستان کے مطابق قومی معیشت کو شریعت کے مطابق مالیاتی نظام کی جانب منتقل کرنے کے لیے اختیار کی گئی ہے۔ ہماری حکمت عملی متوازن اور پائیدار ترقی، مختلف شعبہ جات میں تنوع، اور ضابطہ جاتی و مالیاتی استحکام کو مقررہ معیارات سے بلند سطح پر برقرار رکھنے کو ترجیح دیتی ہے۔ میزان بینک فزیکل اور ڈیجیٹل دونوں چینلز کے ذریعے اپنی موجودگی کو وسعت دے رہا ہے، جبکہ صنعت میں اپنی قائدانہ حیثیت برقرار رکھنے کے لیے اعلیٰ معیار کی ڈیجیٹل بینکاری خدمات کی فراہمی پر خصوصی توجہ مرکوز کیے ہوئے ہے۔

آڈیٹرز

موجودہ آڈیٹرز، اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، جو پی ڈبلیو سی نیٹ ورک کی رکن فرم ہے، اپنی مدت کار مکمل کرنے کے بعد ریٹائر ہو رہے ہیں اور اہلیت رکھتے ہوئے دوبارہ تقرری کے لیے پیشکش کر رہے ہیں۔ لہذا کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کے مطابق بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی نے اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2026 کو اختتام پذیر ہونے والے سال کے لیے بینک کے آڈیٹرز کے طور پر دوبارہ مقرر کرنے کی سفارش کی ہے۔

مارکیٹ لیکویڈیٹی میں بہتری اور آمدنی کے ذرائع میں تنوع ممکن ہوا۔ سال کے دوران MECL نے منظم اور نظم و ضبط پر مبنی عملدرآمد، موثر براؤنچ مینجمنٹ اور داخلی کنٹرول سسٹمز و ریگولیٹری تقاضوں کی سختی سے پابندی کے ذریعے مضبوط آپریشنل استحکام کا مظاہرہ کیا اور پاکستان کی سرفہرست تین کارکردگی دکھانے والی بینکنگ آپیکس کمپنیوں میں اپنی جگہ بنائی، جو مارکیٹ میں اس کی مضبوط قبولیت اور آپریشنل سادگی کی عکاس ہے۔ آئندہ کے لیے انتظامیہ براؤنچ کی پیدائشی صلاحیت میں بہتری، صارف کے تجربے کو مزید بہتر بنانے، مجاز مصنوعات کی رینج میں وسعت اور اعلیٰ معیار کی کمپلائنس برقرار رکھنے کے عزم پر قائم ہے تاکہ پائیدار ترقی اور گروپ کے لیے طویل المدتی قدر کی تخلیق یقینی بنائی جاسکے۔

میزان بینک کے بانی صدر و CEO جناب عرفان صدیقی کی ریٹائرمنٹ اور نئے

صدر و CEO ڈاکٹر سید عامر علی کی تقرری

سال 2025 میزان بینک کے بانی، صدر اور CEO جناب عرفان صدیقی کی ریٹائرمنٹ کا سال ثابت ہوا۔ کئی دہائیوں پر محیط اپنے شاندار پیشہ ورانہ کیریئر کے دوران انہوں نے میزان بینک کو پاکستان کے پہلے اسلامی کمرشل بینک کے طور پر قائم کرنے اور اسے ملک کے صوبہ اول کے مالیاتی اداروں میں شامل کرنے میں بنیادی اور تاریخی کردار ادا کیا۔ اسلامی بینکاری کے وسیع تجربے کے حامل ایک منجھے ہوئے بینکاری حیثیت سے انہوں نے پاکستان میں اسلامی مالیات کے منظر نامے کی تشکیل، نظم و نسق کے مضبوط ڈھانچے کے قیام اور شریعت کے مطابق مالیاتی مصنوعات کے فروغ میں بصیرت افروز قیادت فراہم کی۔ انہیں پاکستان میں اسلامی بینکاری کی صنعت کا بانی رہنما تصور کیا جاتا ہے اور ان کا وژن اور قیادت اس شعبے کی ترقی میں دیر پا اہمیت کی حامل رہی ہے۔

جناب عرفان صدیقی کی ریٹائرمنٹ کے بعد ڈاکٹر سید عامر علی نے چیف ایگزیکٹو آفیسر کا عہدہ سنبھالا اور بانی کی طے کردہ حکمت عملی اور ترقی کی رفتار کو مزید آگے بڑھانے کے عزم کا اظہار کیا۔ ڈاکٹر سید عامر علی، جو میزان بینک کے صدر اور چیف ایگزیکٹو آفیسر ہیں، بزنس ایڈمنسٹریشن میں ڈاکٹریٹ کی ڈگری رکھتے ہیں اور ان کی تحقیقی توجہ اسلامی ڈیجیٹل بینکاری

ایوارڈز اور اعتراف کا کردگی

میزان بینک نے سال کے دوران متعدد معتبر اور قابل فخر اعزازات حاصل کیے، جن کی تفصیل درج ذیل ہے:



کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی 'AAA / A-1+' (ٹرپل اے / اے ون پلس) ریٹنگ کی دوبارہ توثیق کی، جو نہ ہونے کے برابر رسک فیکٹرز کے ساتھ کریڈٹ کے مکمل حد تک اعلیٰ ترین معیار کی نشاندہی کرتی ہے۔ تفویض کردہ ریٹنگز کا آؤٹ لک بدستور "مستحکم" ہے۔

کمپیٹل ایڈیکولیسی ریٹیو

میزان بینک 19.20 فیصد (دسمبر 2024: 20.35 فیصد) کمپیٹل ایڈیکولیسی ریٹیو (CAR) کے ساتھ ایک adequately capitalized ادارہ ہے۔ بینک کا CAR سال 2025 کے لیے 11.50 فیصد کے کم از کم ریگولیٹری تقاضے سے کافی زیادہ ہے:

کم از کم ضرورت	31 دسمبر 2024	31 دسمبر 2025	کمپیٹل ایڈیکولیسی ریٹیو (CAR)
7.50%	16.36%	16.45%	کامن ایکویٹی I Tier (CET I)
9.00%	16.88%	16.89%	Tier I
11.50%	20.35%	19.20%	CAR

ہیں۔ المیزان، میزبان تحفظ فنانڈ کے نام سے ملک کے سب سے بڑے رضا کارانہ فنانڈ فنانسنگ انتظام کرتی ہے، جس کے خالص اثاثے دسمبر 2025 تک تقریباً 41 بلین روپے رہے۔

سال کے دوران المیزان ان کوشریت کے مطابق اثاثہ جاتی نظم و نسق میں قیادت اور غیر معمولی کارکردگی کے اعتراف میں متعدد ممتاز اعزازات سے نوازا گیا۔ ان میں 19 ویں کنزیومر چوائس ایوارڈز میں سال کی بہترین ایسیٹ مینجمنٹ کمپنی، IFFSA ایوارڈز میں دہائی کی بہترین ایسیٹ مینجمنٹ کمپنی (2016-2025) دسویں IFFSA ایوارڈز میں سال 2024-25 کی بہترین ایسیٹ مینجمنٹ کمپنی (گولڈ)، ورلڈ وائیڈ فنانس ایوارڈز میں پاکستان کی بہترین شریعت سے ہم آہنگ ایسیٹ مینجمنٹ 2025 اور پاکستان ڈیجیٹل ایوارڈز میں سال کی بہترین بینکاری ٹیکنالوجی کے اعزازات شامل ہیں، جو راست، انٹرپرائز فنانسنگ، مسلسل عزم کو اجاگر کرتے ہیں کہ وہ اپنے سرمایہ کاروں کو شریعت کے مطابق، جدید اور اعلیٰ معیار کے سرمایہ کاری حل فراہم کرتی رہے، اور اسی کے ساتھ پاکستان کی صف اول کی ایسیٹ مینجمنٹ کمپنی کے طور پر اس کی مضبوط پوزیشن مزید مستحکم کرتے ہیں۔

المیزان نے اپنی مصنوعات اور خدمات 13 شہروں میں پچھلے 28 برانچز کے فزیکل نیٹ ورک، ڈیجیٹل ذرائع اور میزبان بینک کی برانچوں کے وسیع ڈسٹری بیوشن نیٹ ورک کے ذریعے قابل رسائی بنائی ہیں۔ اس کی ڈیجیٹل رسائی بین الاقوامی سطح تک پھیلی ہوئی ہے، جہاں بیرون ملک پاکستانی RDA کے ذریعے اس کی خدمات سے مستفید ہو سکتے ہیں۔

30 سال سے زائد کے مستند تجربے کے ساتھ، المیزان پاکستان کی پہلی ایسیٹ مینجمنٹ کمپنی (AMC) ہونے کا اعزاز رکھتی ہے جسے VIS اور PACRA دونوں کی جانب سے مینجمنٹ کوائٹی کی اعلیٰ ترین ریٹنگ AM1 تفویض کی گئی۔

ذیلی کمپنی میزبان کرنسی ایکسیج لمیٹڈ کی کارکردگی

میزبان ایکسیج کمپنی (پرائیویٹ) لمیٹڈ (MECL) نے، جو میزبان بینک لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے، 2024 میں اپنے آپریشنز کا آغاز اس مقصد کے تحت کیا کہ ریگولیٹڈ فارن ایکسیج مارکیٹ میں گروپ کی موجودگی کو مضبوط بنایا جائے اور ملک بھر میں صارفین کی رسائی کو بہتر بنایا جائے۔ اپنے ابتدائی سال کے دوران کمپنی نے پاکستان بھر میں اپنے نیٹ ورک کو 50 برانچز تک توسیع دی اور مجاز غیر ملکی کرنسیوں کی برآمدات کا کامیاب آغاز کیا، جس سے

انسانی سرمایہ

الحمد للہ، میزبان بینک نے سال 2025 کے دوران ملک بھر میں اسلامی بینکاری کے اہل اور باصلاحیت افراد کی قدرشناسی، تقرری اور پیشہ ورانہ نگہداشت کا سفر جاری رکھا اور دیہی و شہری دونوں منڈیوں میں اپنی تیزی سے بڑھتی ہوئی ورک فورس میں 3,800 سے زائد افراد شامل کیے، جس کے بعد بینک کا مجموعی انسانی سرمایہ 20,000 سے زائد افراد پر مشتمل ہو گیا۔ میزبان بینک ایک متحرک، باصلاحیت اور اقدار پر مبنی پیشہ ورانہ ورک فورس کی تیاری پر یقین رکھتا ہے جو صارفین کو عالمی معیار کی، شریعت سے ہم آہنگ بینکاری خدمات فراہم کرنے کی مکمل صلاحیت رکھتی ہو۔

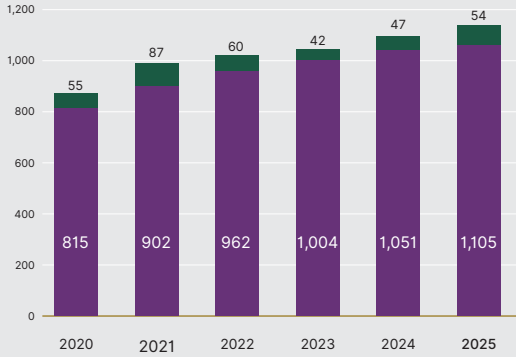
بینک اپنے روشناس پروگرام کے ذریعے شمولیت اور مساوی مواقع کے عزم پر بدستور قائم ہے، جو محدود افراد (PWDs) کے لیے ایک خصوصی تربیتی اقدام ہے، جس کا مقصد انہیں روزگار کے قابل بنانا، خود مختاری کو فروغ دینا اور ایک زیادہ جامع اور باوقار ورک پلیس کلچر کو فروغ دینا ہے۔ مزید برآں، سال کے دوران 800 سے زائد خواتین پر فیشنلزن نے بینک میں شمولیت اختیار کی، جس سے افرادی قوت میں تنوع اور شمولیت کو مزید تقویت ملی۔

میزبان بینک نے پورے سال کیلئے اور ترقی کرنے کو اپنی اسٹریٹجک ترجیح قرار رکھا اور ورکنگ انٹرکول لیڈ ریٹنگز (VILTs)، لیڈنگ مینجمنٹ سسٹم (LMS) اور براہ راست سیشنز کے ذریعے تربیتی سرگرمیوں کا انعقاد کیا، جس کے نتیجے میں سال کے دوران 17,000 سے زائد اسٹاف پارٹنیشنرز ریکارڈ ہوئے۔ بینک نے قیادت کی ترقی کے پروگرامز، فنکشنل صلاحیت سازی کے اقدامات اور خصوصی اسلامی مالیات پروگرامز کے ذریعے پیشہ ورانہ مہارت اور اسلامی بینکاری کی تخصص کو مزید مضبوط بنانے کا سلسلہ جاری رکھا۔

ذیلی کمپنی المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ کی کارکردگی

بینک کی ذیلی کمپنی المیزان انویسٹمنٹ مینجمنٹ لمیٹڈ (المیزان) پاکستان کی سب سے بڑی ایسیٹ مینجمنٹ کمپنی (AMC) ہے، جس کے زیر انتظام اثاثے دسمبر 2025 تک 724 بلین روپے سے تجاوز کر گئے۔ المیزان کا انویسٹمنٹس 530,000 سے زائد صارفین پر مشتمل ہے، جس میں کارپوریٹ اور ہائی نیٹ ورثہ افراد کے لیے Separately Managed Accounts (SMAs) بھی شامل ہیں۔ SMAs کے بغیر، المیزان کے زیر انتظام اثاثے پاکستان کی مجموعی میوچل فنانڈ انڈسٹری کے تقریباً 15 فیصد اور شریعہ کمپلائنس میوچل فنانڈ انڈسٹری کے 32 فیصد کے مساوی

Branch Network in 363 Cities



363 شہروں میں 1,105 برانچوں کے ساتھ بھرپور موجودگی

سال کے دوران میزان بینک نے 54 نئی برانچز کا اضافہ کیا جس کے بعد 2025 کے اختتام تک برانچ نیٹ ورک 363 شہروں میں 1,105 برانچز تک پہنچ گیا۔ بینک اس بات پر یقین رکھتا ہے کہ ملک کی جغرافیائی طور پر پھیلتی ہوئی اور بینکاری سے محروم آبادی کی مؤثر خدمت کے لیے فزیکل اور ڈیجیٹل دونوں چینلز میں متوازن اور مسلسل ترقی ناگزیر ہے۔ اسی حکمت عملی کے تحت بینک مربوط فزیکل اور ڈیجیٹل موجودگی کے ذریعے بلا تعطل اور اعلیٰ معیار کی خدمات کی فراہمی پر مرکوز ہے تاکہ برانڈ سے وفاداری، صارفین کا اعتماد اور اطمینان مزید مستحکم ہو۔

ہیں، جس سے زیادہ ٹرانزیکشن حجم کو مؤثر انداز میں سنبھالنے اور انتظار کے دورانیے میں کمی ممکن ہوئی ہے۔ مزید برآں، مارکیٹ کی ضروریات کو مد نظر رکھتے ہوئے برانچ آن ویلز بھی متعارف کرائی گئی ہے جو مخصوص مقامات پر موبائل ایس ٹی ایم اور بینکنگ خدمات فراہم کرتی ہے۔

2025 کے دوران نیٹ ورک نے 97.11 فیصد اپ ٹائم برقرار رکھا، جبکہ ایس ٹی ایمز کے ذریعے 133.97 ملین کامیاب ٹرانزیکشنز سرانجام دی گئیں، جو گزشتہ سال کے مقابلے میں 13 فیصد اضافہ ظاہر کرتی ہیں۔ مزید برآں، ایس ٹی ایمز سے 2.69 ٹریلین روپے کی رقم نکالی گئی، جو سال بہ سال بنیاد پر 25 فیصد کی قابل ذکر ترقی کی عکاسی کرتی ہے اور بینک کی خدمات پر صارفین کے اعتماد کو ظاہر کرتی ہے۔

خدمات اور پیشکشوں کی ڈیجیٹلائزیشن اور صارفین کے ڈیجیٹل چینلز کی طرف بڑھتے ہوئے رجحان، زیادہ ڈپازٹ والی لوکیشنز پر 24 کیش ڈپازٹ مشینیں (Cash Deposit Machines) بھی نصب کی گئیں۔ اس اقدام نے صارفین کو 24 گھنٹے ریمیل ٹائم نقد رقم جمع کرانے کی سہولت فراہم کی۔ سال 2025 کے دوران ان مشینوں کے ذریعے 175,439 کامیاب ڈپازٹ ٹرانزیکشنز پروسیس ہوئیں جن کی مجموعی مالیت 19.79 بلین روپے رہی۔

مرچنٹ ایکوائزنگ بزنس اور ای-کامرس گیٹ وے

میزان بینک نے خاص طور پر کیش استعمال کرنے والے صارفین کو ڈیجیٹل پلیٹ فارمز کی طرف منتقل کرنے کی اپنی ہم کے ذریعے پاکستان کے ڈیجیٹل منظر نامے میں نمایاں کردار ادا کیا ہے۔ بینک کا ایکوائزنگ نیٹ ورک 334 شہروں میں 45,288 سے زائد مرچنٹس تک پھیل چکا ہے۔ مالی شمولیت بدستور بنیادی توجہ رہی، جہاں مجموعی ٹرانزیکشن حجم کا تقریباً 50 فیصد حصہ SMEs مرچنٹس سے حاصل ہوا، جو چھوٹے کاروباروں تک رسائی بڑھانے اور کم رسائی والی مارکیٹس میں مالی شمولیت کو فروغ دینے کے عزم کی عکاسی کرتا ہے۔

بینک کے POS ایکوائزنگ اور ای-کامرس پلیٹ فارمز پر ٹرانزیکشن کا مشترکہ حجم اس سال 420 بلین روپے تک پہنچ گیا، جو سال بہ سال بنیاد پر 86.7 فیصد کا مضبوط اضافہ ظاہر کرتا ہے۔ یہ مثبت رجحان دسمبر 2025 میں ریکارڈ ساز کارکردگی پر منتج ہوا جب ماہانہ ٹرانزیکشن حجم

میزان موبائل ایپ

میزان بینک کی موبائل بینکنگ ایپ نے 2025 میں بھی شاندار کارکردگی کا مظاہرہ کیا اور پاکستان کے صف اول کے ڈیجیٹل بینکنگ پلیٹ فارمز میں اپنی جگہ مزید مستحکم کی۔ سادہ اور صارف دوست انٹرفیس، مؤثر فعالیت، سسٹم کے استحکام اور اعلیٰ دستیابی کے باعث یہ بڑھتے ہوئے ایپ صارفین کی اولین ترجیح بنی رہی۔

سال کے اختتام تک ایپ کے رجسٹرڈ صارفین کی تعداد 4.3 ملین سے تجاوز کر گئی جو ڈیجیٹل سروس اپنانے میں 40 فیصد سال بہ سال اضافہ ظاہر کرتی ہے۔ 2025 کے دوران پلیٹ فارم نے 552.42 ملین مالیاتی ٹرانزیکشنز پروسیس کیں، جو حجم میں 40 فیصد اضافہ ہے، جبکہ ٹرانزیکشنز کی مجموعی مالیت 27.92 ٹریلین روپے تک پہنچ گئی، جو گزشتہ سال کے مقابلے میں 54 فیصد اضافہ ظاہر کرتی ہے اور صارفین کی سرگرمیوں میں بڑھتی ہوئی اہمیت اجاگر کرتی ہے۔

فینڈ ٹرانسفرز اور بل پیمنٹس کے لیے موبائل ایپ بدستور بنیادی چینل رہی، جو صارفین کی ڈیجیٹل سیلف سروس کی جانب بڑھتی ترجیح کی عکاسی کرتی ہے۔ گوگل پلے اسٹور اور ایپل ایپ اسٹور پر چھ مسلسل برسوں سے صنعت میں نمایاں ریٹنگ اس پلیٹ فارم پر صارفین کے مضبوط اعتماد کا ثبوت ہے۔

مزید برآں، 1Link کی ماہانہ ریٹنگ رپورٹس کے مطابق 2025 میں 1Link نیٹ ورک کے ذریعے ہونے والی مجموعی ٹرانزیکشنز میں میزان بینک کا حصہ 32.5 فیصد سے زائد رہا، جو گزشتہ سال کے مقابلے میں 57 فیصد اضافہ ظاہر کرتا ہے۔ یہ تسلسل میزان موبائل ایپ کی بڑھتی کارکردگی اور بینک کی مجموعی ڈیجیٹل قیادت کی واضح توثیق ہے۔

ایس ٹی ایم نیٹ ورک

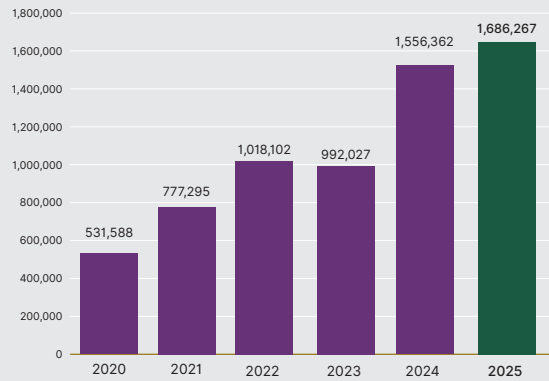
میزان بینک لمیٹڈ نے گزشتہ سالوں میں اپنے ایس ٹی ایم نیٹ ورک میں نمایاں اضافہ جاری رکھا۔ 31 دسمبر، 2025 پر اس وقت نیٹ ورک 347 شہروں میں 1,300 سے زائد ایس ٹی ایمز پر مشتمل ہے، جن میں 1,125 آن سائٹ ایس ٹی ایمز اور 196 آف سائٹ ایس ٹی ایمز شامل ہیں۔ صارفین کی سہولت اور آسانی کو مزید بہتر بنانے کے لیے 68 برانچز پر ڈسک ایس ٹی ایمز جبکہ دو برانچز پر ٹرپل ایس ٹی ایمز بھی نصب کیے گئے

مجموعی فنانسنگ پورٹ فولیو کی توسیع

سال کے دوران بینک کے مجموعی فنانسنگ پورٹ فولیو میں 8 فیصد اضافہ ریکارڈ کیا گیا اور یہ سال کے اختتام تک 1.69 ٹریلین روپے تک پہنچ گیا، جبکہ 2024 کے اختتام پر یہ 1.56 ٹریلین روپے تھا۔ اس نمو کے ساتھ بینک نے اپنا ایڈوانسڈ سٹریٹجی (ADR) 50 فیصد سے زائد برقرار رکھا۔

Gross Financing

Rupees in Million

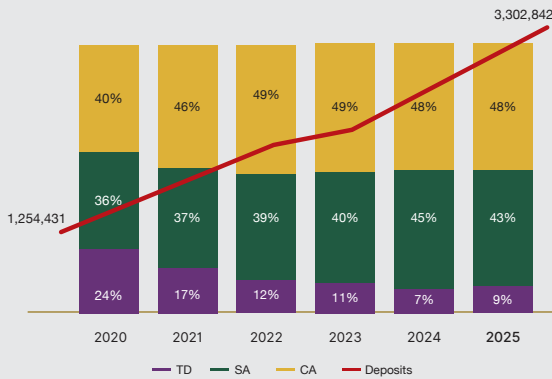


غیر فعال فنانسنگز اور پروویژنز

2025 کے اختتام تک بینک کی غیر فعال فنانسنگز کا حجم 31 بلین روپے رہا، جس کے مقابلے میں مجموعی کریڈٹ لاس الاؤنسز 45.3 بلین روپے موجود تھے۔ سال کے دوران 9.1 بلین روپے کا کریڈٹ لاس الاؤنس چارج ریکارڈ کیا گیا، جبکہ گزشتہ سال یہ 12.2 بلین روپے تھا۔ بینک نے 146 فیصد کا غیر فعال فنانسنگ کوریج ریشیو برقرار رکھا، جو بینکاری صنعت میں بلند ترین شرحوں میں شمار ہوتا ہے۔

Deposits

Rupees in Million



3.3 ٹریلین روپے سے زائد کا ڈپازٹ بیس کرنٹ اور سیونگز اکاؤنٹس میں نمو

سال کے دوران میزان بینک کے ڈپازٹس اہم سنگ میل عبور کرتے ہوئے 3 ٹریلین روپے سے تجاوز کر گئے اور 28 فیصد اضافے کے ساتھ سال کے اختتام تک 3.3 ٹریلین روپے تک پہنچ گئے، جبکہ گزشتہ سال کے اختتام پر یہ 2.6 ٹریلین روپے تھے۔

بینک کے مجموعی ڈپازٹ پورٹ فولیو کا 91 فیصد حصہ کرنٹ اور سیونگز اکاؤنٹس (CASA) پر مشتمل رہا اور CASA بیلنس سال کے دوران 3 ٹریلین روپے سے بڑھ گئے، جو کم لاگت والے ڈپازٹ بیس کو وسعت دینے کی بینک کی مسلسل حکمت عملی کی عکاسی کرتا ہے۔ میزان بینک کے مجموعی ڈپازٹس بینکاری صنعت کے کل ڈپازٹس کا 8.8 فیصد بنتے ہیں۔ ڈپازٹ بیس میں مسلسل اضافہ میزان برانڈ پر صارفین کے اعتماد اور یقین کا مظہر ہے اور یہ کامیابی بینک کی ٹیم کی اجتماعی کاوشوں، اعلیٰ معیار خدمت، شریعہ کمپلائنس اور دیانتداری پر مبنی کاروباری اقدار کی عکاسی ہے۔

بینک کے کرنٹ اکاؤنٹ ڈپازٹس میں 361 بلین روپے کا اضافہ ہوا جو گزشتہ سال کے مقابلے میں 29 فیصد نمو ظاہر کرتا ہے، جبکہ سیونگز اکاؤنٹس کے ڈپازٹس سال کے اختتام تک 1.4 ٹریلین روپے تک پہنچ گئے، جو دسمبر 2024 کے مقابلے میں 250 بلین روپے یا 21 فیصد اضافہ ہے۔

روشن ڈیجیٹل اکاؤنٹ (RDA)

میزان بینک روشن ڈیجیٹل اکاؤنٹ کے شعبے میں اپنا قائدانہ مقام برقرار رکھے ہوئے ہے اور پاکستان کی معیشت کے لیے نمایاں کردار ادا کر رہا ہے۔ بینک کے تقریباً 149,000 فعال RDA اکاؤنٹس موجود ہیں، جو اکاؤنٹس کی تعداد کے لحاظ سے 17 فیصد اور مجموعی ترسیلات کے لحاظ سے 29 فیصد مارکیٹ شیئر کی نمائندگی کرتے ہیں۔

سال 2025 کی نمایاں کامیابیاں:

- آغاز سے اب تک مجموعی فنڈز ان فلو 3.4 بلین امریکی ڈالر سے تجاوز۔
- روشن ایکویٹی اکاؤنٹس میں قیادت، سرمایہ کاری 12.76 بلین روپے سے زائد۔
- میوچل فنڈز میں سرمایہ کاری آغاز سے اب تک 4.7 بلین روپے سے تجاوز۔
- روشن اپنی کار (RAC) کی تحت تقسیم شدہ رقوم آغاز سے اب تک 3 بلین روپے سے زائد۔

انتظامی اخراجات

میزان بینک کے انتظامی اور دیگر اخراجات میں سال بہ سال 3 فیصد اضافہ ہوا اور یہ 86.8 بلین روپے تک پہنچ گئے جبکہ گزشتہ سال یہ 84.6 بلین روپے تھے۔ سال کے دوران ملک بھر میں 54 نئی برانچز کا اضافہ کیا گیا جس سے مجموعی برانچ نیٹ ورک 1,105 تک پہنچ گیا۔ تاہم اس توسیع اور پالیسی ریٹ میں کمی کے باعث آمدنی کی نسبتاً معتدل سطح کے نتیجے میں لاگت برائے آمدنی کا تناسب 2024ء کے 27 فیصد سے بڑھ کر 2025ء میں 30 فیصد ہو گیا۔

ٹیکس - قومی خزانے میں حصہ

بینک نے 2025 کے لیے 105.4 بلین روپے کا ٹیکس چارج ریکارڈ کیا، جبکہ 2024 میں یہ 120.6 بلین روپے تھا۔ اس کی بنیادی وجہ سال بہ سال منافع میں اعتدال رہی۔ مزید برآں، ہم نے وفاقی اور صوبائی ٹیکس حکام کی جانب سے بطور وڈ ہولڈنگ ٹیکس ایجنٹ انکم ٹیکس، فیڈرل ایکسائز ڈیوٹی اور خدمات پر صوبائی سیلز ٹیکس کی مد میں 48.4 بلین روپے (61.0 بلین: 2024) جمع/کٹوتی کر کے قومی خزانے میں جمع کرائے۔

ٹیلنس شیٹ کا جائزہ

2025 کے اختتام تک بینک کے مجموعی اثاثے 4.8 ٹریلین روپے تک پہنچ گئے جو دسمبر 2024 کے مقابلے میں 23 فیصد کا مستحکم اضافہ ظاہر کرتے ہیں۔ یہ مضبوط اضافہ بینک کے فنانسنگ پورٹ فولیو میں نمایاں وسعت اور فیڈرل گورنمنٹ سیکورٹیز میں مسلسل اسٹریٹجک سرمایہ کاری کی بدولت ممکن ہوا، جو بینک کی ٹیلنس شیٹ کی مضبوطی اور پائیدار نمو کی عکاسی کرتا ہے۔ ٹیلنس شیٹ میں یہ اضافہ ڈپازٹس میں 28 فیصد نمایاں نمو سے ممکن ہوا۔ سال کے دوران حاصل ہونے والے اہم کاروباری نتائج کا خاکہ درج ذیل ہے:

اہم کاروباری نتائج	2025	2024	تبدیلی کی شرح
مجموعی اثاثے	4.81 ٹریلین روپے	3.9 ٹریلین روپے	▲ 23%
سرمایہ کاریاں			
خود مختار (Sovereign)	2.57 ٹریلین روپے	1.84 ٹریلین روپے	▲ 39%
دیگر	31 بلین روپے	27 بلین روپے	▲ 14%
اسلامی فنسنگ اور متعلقہ اثاثے - مجموعی	2.60 ٹریلین روپے	1.87 ٹریلین روپے	▲ 39%
مجموعہ شہر قومی	1.69 ٹریلین روپے	1.56 ٹریلین روپے	▲ 8%
ایکویٹی	3.30 ٹریلین روپے	2.58 ٹریلین روپے	▲ 28%
کمیونٹی ایڈیوکیسی ریشیو (CAR)	279 بلین روپے	247 بلین روپے	▲ 13%
ڈیویڈنڈی ٹھیس:	19.20%	20.35%	▼ -6%
نقد ڈیویڈنڈ - روپے	28.00	28.00	0%
بونس ٹھیس	0%	0%	0%
برانچ نیٹ ورک	1,105 برانچیں	1,051 برانچیں	▲ 5%
موجودگی	363 شہر	351 شہر	▲ 3%
تجارتی کاروبار (درآمدات و برآمدات)	2.94 ٹریلین روپے	2.74 ٹریلین روپے	▲ 8%

Rs 2.6 Tr

Investment Portfolio

سرمایہ کاریوں میں اضافہ

میزان بینک کا سرمایہ کاری پورٹ فولیو دسمبر 2025 تک 2.6 ٹریلین روپے تک پہنچ گیا جو دسمبر 2024 کے مقابلے میں 39 فیصد کا زبردست اضافہ ظاہر کرتا ہے۔ یہ نمو اعلیٰ معیار کی شریعہ کیپٹل سٹ سرمایہ کاریوں پر بینک کی اسٹریٹجک توجہ اور مضبوط ٹیلنس شیٹ مینجمنٹ کی عکاس ہے۔ حکومت پاکستان کی جانب سے اجارہ صکوک کے باقاعدہ اجراء سرمایہ کاری کے کھاتے کو وسعت دینے میں کلیدی کردار ادا کیا، جبکہ مجموعی خود مختار حکومت کی ضمانت شدہ سیکورٹیز بینک کے کل سرمایہ کاری پورٹ فولیو کا 99 فیصد حصہ ہیں۔

اسٹیٹ بینک آف پاکستان کے شریعت کے مطابق اوپن مارکیٹ آپریشنز (OMO-Injections) اور شریعت کے مطابق اسٹینڈنگ سیلنگ سہولت کے نفاذ نے اسلامی بینکنگ انڈسٹری کی روزمرہ لیکویڈیٹی مینجمنٹ میں اہم کردار ادا کیا ہے، جس پر بینک حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کا ممنون ہے۔

نفع نقصان کھاتہ

روپے بلین میں

2024	2025	نفع نقصان کھاتہ
494,297	420,462	فنانسنگ، سرمایہ کاری اور تین سے حاصل شدہ آمدنی / منافع
(207,257)	(167,990)	جمع شدہ رقوم پر منافع کی ادائیگی اور دیگر واجب الادا مصارف
287,039	252,472	اصل منافع
22,529	24,152	فیس کمیشن کی آمدنی اور دیگر آمدنی
830	5,479	غیر ملکی کرنسی میں لین دین پر آمدنی
5,520	3,002	ڈیویڈنڈ کی آمدنی اور سیکورٹیز پر منافع - اصل
28,878	32,632	نان - فنڈڈ اور دیگر آمدنی
315,917	285,104	کل آمدنی
(84,611)	(86,800)	انتظامی اور دیگر اخراجات
231,306	198,304	پروویژن سے قبل منافع
(9,221)	(3,886)	پروویژن اور قرضوں کی معافی - اصل
222,085	194,418	قبل از ٹیکس منافع
(120,578)	(105,377)	ٹیکس
101,508	89,041	بعد از ٹیکس منافع
56.62	49.54	Basic فی شخص آمدنی - اضافہ شدہ سرمائے پر - روپے
56.30	49.22	Diluted فی شخص آمدنی - اضافہ شدہ سرمائے پر - روپے

منافع جات

اصل منافع

فنانسنگ، سرمایہ کاریوں اور Placements پر منافع 2025ء میں 420 بلین روپے رہا جو گزشتہ سال کے 494 بلین روپے کے مقابلے میں 15 فیصد کی ظاہر کرتا ہے۔ اس کی بنیادی وجہ بنیادی بیچ مارک ریٹ میں نمایاں کمی رہی جو 2024ء میں اوسطاً 19.7 فیصد کے مقابلے میں 2025ء میں اوسطاً 11.4 فیصد رہی۔ تاہم کم لاگت والے ڈپازٹس کے فروغ پر مسلسل توجہ کے باعث ڈپازٹس اور دیگر واجبات پر منافع کے اخراجات 2024 میں 207 بلین روپے سے 19 فیصد کم ہو کر 168 بلین روپے رہ گئے، یوں منافع میں کی اثرات جزوی طور پر متوازن ہو گئے۔

دیگر آمدنی میں 13 فیصد اضافہ

فیس، کمیشن اور دیگر آمدنی 7 فیصد اضافے کے ساتھ 24.2 بلین روپے تک پہنچ گئی جبکہ گزشتہ سال یہ 22.5 بلین روپے تھی۔ یہ اضافہ بنیادی طور پر ڈیٹ کارڈ کے اجراء میں اضافہ، تجارتی کاروباری حجم میں نمو اور برانچ اور انویسٹمنٹ بینکنگ کی بہتر کارکردگی کا نتیجہ تھا۔

2025ء میں میزان بینک نے ڈیٹ کارڈ اخراجات کے میدان میں ایک نیا صنعتی ریکارڈ قائم کیا جہاں مجموعی خرچ 410 بلین روپے سے تجاوز کر گیا، جو سال بہ سال 33 فیصد اضافہ ظاہر کرتا ہے۔ دسمبر 2025ء میں ماہانہ خرچ 41 بلین روپے سے بھی بڑھ گیا جو انڈسٹری کی بلند ترین سطح رہی۔ سال کے دوران تقریباً 1.6 بلین نئے ڈیٹ کارڈ جاری کیے گئے جس سے مجموعی پورٹ فولیو تقریباً 4.7 بلین کارڈز تک پہنچ گیا، جو دسمبر 2024ء کے مقابلے میں 18 فیصد اضافہ ہے۔ اسی عرصے میں میزان ویزا اسٹوڈنٹ ڈیٹ کارڈ متعارف کرایا گیا جسے عالمی سطح پر نمایاں پذیرائی حاصل ہوئی۔ جب بارسلونا میں ویزا

ٹیکنٹ فورم 2025 میں سراہا گیا۔

میزان بینک نے ادائیگیوں کی ڈیجیٹائزیشن میں کلیدی کردار ادا کرتے ہوئے پاکستان میں ڈیجیٹل فنڈ ٹرانسفرز میں اپنی قیادت مزید مستحکم کی۔ موبائل بینکنگ ایپ اور انٹرنیٹ بینکنگ پلیٹ فارمز محفوظ اور موثر رقوم کی منتقلی کے لیے صارفین کی اولین ترجیح بنے رہے۔

2025ء میں ان پلیٹ فارمز کے ذریعے 503.13 بلین سے زائد ٹرانزیکشنز پراسیس ہوئیں جن کی مجموعی مالیت تقریباً 26.98 ٹریلین روپے رہی، جو حجم میں 43 فیصد اور مالیت میں 55 فیصد سال بہ سال اضافہ ظاہر کرتی ہے۔ اس میں سے 155.3 بلین ٹرانزیکشنز، جن کی مالیت 15.26 ٹریلین روپے تھی میزان بینک اکاؤنٹس کے ذریعے ہوئیں، جبکہ 347.8 بلین ٹرانزیکشنز جن کی مالیت 11.71 ٹریلین روپے تھی، ون لنک اور راست کے ذریعے دوسرے بینکوں کے ساتھ ہوئیں۔ یہ کارکردگی بینک کے ڈیجیٹل آپریشنز کے وسیع دائرے اور صارفین کے بڑھتے ہوئے اعتماد کی عکاس ہے۔

سال 2025ء کے دوران صارفین کی ٹرانزیکشنز کو اور دی کاؤنٹر چینلز سے ڈیجیٹل پلیٹ فارمز کی جانب منتقل کرنے میں نمایاں کامیابی حاصل ہوئی اور آخری سہ ماہی تک 93.6 فیصد ٹرانزیکشنز ڈیجیٹل ذرائع سے انجام پائیں، جس سے آپریشنل مؤثریت میں اضافہ اور صارفین کو بہتر سہولت میسر آئی۔ اس سے اخراجات میں کافی کمی آئی۔

2025ء میں بینک کی ترسیلات زر کا حجم 2.5 بلین ڈالر سے تجاوز کر گیا جو 2024 کے مقابلے میں 109 فیصد اضافہ ہے۔ درآمدی و برآمدی کاروبار میں توازن برقرار رکھنے کی حکمت عملی کے تحت 2025ء میں تجارتی آمدنی 18 فیصد بڑھ کر 6.1 بلین روپے ہو گئی جبکہ زرمبادلہ کی مد میں آمدنی 5.5 بلین روپے رہی جو 2024 میں 830 بلین روپے تھی۔

مجموعی طور پر بینک کی نان فنڈڈ اور دیگر آمدنی میں 13 فیصد کا مضبوط اضافہ ریکارڈ ہوا اور یہ 2025 میں 32.6 بلین روپے تک پہنچ گئی جو آمدنی کے ذرائع میں کامیاب تنوع کی عکاسی کرتا ہے۔

ڈائریکٹرز کی رپورٹ برائے ممبران

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2025 کو مکمل ہونے والے سال کے لیے میزان بینک لمیٹڈ کے تفصیلی مالیاتی نتائج پر مبنی 29 ویں سالانہ رپورٹ پیش کرنا ہمارے لیے باعث مسرت ہے۔

معاشی جائزہ

وقفے وقفے سے آنے والی رکاوٹوں نے، جن میں مون سون سے متعلق سیلاب بھی شامل تھے، بحالی کی رفتار کو عارضی طور پر سست کیا، اس کے باوجود 2025 پاکستان کی معیشت کے لیے استحکام کی جانب واضح پیش رفت کا سال ثابت ہوا۔ وفاقی حکومت کی جانب سے اختیار کیے گئے منظم پالیسی اقدامات اور بنیادی اصلاحات نے معاشی بحالی کی بنیاد مضبوط کی۔ میکرو اکنامک بنیادیں مستحکم کرنے اور سرمایہ کاروں کا اعتماد بحال کرنے کے لیے اہدائی اقدامات نے سابقہ معاشی سست روی کا رخ موڑنے میں اہم کردار ادا کیا، جبکہ طویل المدتی اور پائیدار ترقی کی بنیاد بھی فراہم کی۔

مالی سال 2026 کی پہلی سہ ماہی میں معاشی رفتار مزید مضبوط ہوئی اور جی ڈی پی کی شرح نمو 3.71 فیصد ریکارڈ کی گئی، جو مالی سال 2025 کی اسی سہ ماہی کے مقابلے میں 2.15 بنیادی پوائنٹس زیادہ ہے۔ یہ بحالی صنعتی سرگرمیوں میں اضافے، مضبوط زرعی کارکردگی، افراط زر کے دباؤ میں کمی اور بہتر ہوتے ہوئے بیرونی کھاتے کے باعث ممکن ہوئی۔ ان مثبت معاشی بنیادوں کے ساتھ توقع ہے کہ ترقی کا یہ رجحان مالی سال 2026 میں جاری رہے گا۔

افراط زر میں سال بھر کی کاررجان برقرار رہا اور اپریل 2025 میں یہ 0.3 فیصد کی سطح تک آگیا، جو تقریباً چھ دہائیوں کی کم ترین سطح ہے۔ بعد ازاں سیلاب سے پیدا ہونے والی رسدی رکاوٹوں کے باعث وقتی اور معمولی اضافہ دیکھنے میں آیا۔ افراط زر کے اس معتدل ماحول کے پیش نظر اسٹیٹ بینک آف پاکستان (SBP) نے محتاط مالیاتی نرمی جاری رکھتے ہوئے پالیسی ریٹ میں مجموعی طور پر 250 بنیادی پوائنٹس کمی کی اور اسے

سال کے آغاز میں 13 فیصد سے کم کر کے سال کے اختتام تک 10.5 فیصد کر دیا۔

پاکستان اسٹاک ایکسچینج (PSX) نے بھی بہتر ہوتی معاشی بنیادوں کی عکاسی کرتے ہوئے تاریخی تیزی برقرار رکھی، 170,000 پوائنٹس کی حد عبور کی اور سال کا اختتام 174,054 پوائنٹس پر کیا، جو سال بہ سال بنیاد پر 51 فیصد اضافہ ظاہر کرتا ہے، یوں یہ دنیا کی بہترین کارکردگی دکھانے والی ایکویٹی منڈیوں میں شامل رہی، جو کہ بہتر ہوتی ہوئی معیشت اور سرمایہ کاروں کے مضبوط اعتماد کی عکاسی کرتی ہے۔

مالی سال 2026 کے پہلے چھ مہینوں میں محنت کشوں کی ترسیلات زر بڑھ کر 19.7 بلین امریکی ڈالر تک پہنچ گئیں، جو سال بہ سال بنیاد پر 11 فیصد اضافہ ظاہر کرتی ہیں۔ ملک کے زرمبادلہ کے ذخائر بھی مستحکم ہوئے اور دسمبر 2025 کے اختتام تک 21 بلین امریکی ڈالر سے تجاوز کر گئے، جبکہ ایک سال قبل یہ 15.9 بلین امریکی ڈالر تھے۔ اس بہتری کو آئی ایم ایف کی ایکسٹینڈڈ فنڈ فیسیلیٹی (EFF) کے تحت 2.6 بلین امریکی ڈالر کی مجموعی وصولیوں اور ساختی اصلاحات سے مدد ملی، جنہوں نے زرمبادلہ کی منڈی میں اتار چڑھاؤ کم کرنے اور پاکستانی روپے کو نسبتاً مستحکم رکھنے میں کردار ادا کیا۔ سال کے اختتام تک روپیہ معمولی کمی کے ساتھ 280.1 روپے فی امریکی ڈالر رہا، جبکہ گزشتہ سال یہ شرح 278.6 روپے تھی۔

مجموعی طور پر، ملک مستحکم معاشی بحالی کے لیے بہتر پوزیشن میں دکھائی دیتا ہے، جس کی بنیاد افراط زر کے دباؤ میں کمی، معاشی سرگرمیوں کو سہارا دینے والا کم پالیسی ریٹ، زرمبادلہ کے بڑھتے ہوئے ذخائر، قابل انتظام کرنٹ اکاؤنٹ خسارہ، اور آئی ایم ایف پروگرام کے تحت جاری 37 ماہ کی فنڈنگ فیسیلیٹی ہے۔

ہماری کارکردگی

بعد از ٹیکس منافع

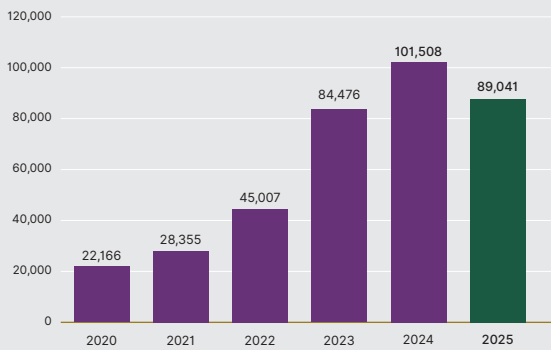
الحمد للہ، میزان بینک نے 2025ء میں بھی مضبوط مالی کارکردگی کا مظاہرہ کرتے ہوئے اپنی مہارت اور استحکام کو برقرار رکھا۔ ہمارا بعد از ٹیکس منافع (PAT) 89 بلین روپے رہا، جبکہ گزشتہ سال یہ 101.5 بلین روپے تھا۔ آمدنی میں یہ نسبتاً کمی بنیادی طور پر سال کے دوران پالیسی ریٹ میں نمایاں کمی اور اسلامی بینکوں کے لیے کم از کم ڈپازٹ ریٹ کے نفاذ کے باعث واقع ہوئی۔ ان حالات کے باوجود، میزان بینک نے اپنی مضبوط پوزیشن برقرار رکھی۔ فی حصص بنیادی آمدنی (EPS) 49.54 روپے ریکارڈ کی گئی، جو بینک کے کاروباری ماڈل کی پائیداری، استحکام اور طویل المدتی صلاحیت کا واضح ثبوت ہے۔

فی حصص ڈیویڈنڈ

ہمیں آپ کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ بورڈ نے 2025ء کی چوتھی سہ ماہی کے لیے 7.00 روپے (70 فیصد) حتمی نقد ڈیویڈنڈ کی منظوری دی ہے۔ اس کے ساتھ ہی سالانہ مجموعی نقد

Profit After Tax

Rupees in Million



ڈیویڈنڈ کی ادائیگی 28.00 روپے (280 فیصد) فی حصص ہو گئی ہے، جس میں سال کے دوران تقسیم کیا گیا 21.00 روپے فی حصص (210 فیصد) عبوری نقد ڈیویڈنڈ بھی شامل ہے۔ الحمد للہ، ہمیں اسٹاک ایکسچینج میں اندراج کے بعد سے اب تک بلا تعطل ڈیویڈنڈز کی ادائیگیوں کی اپنی دیرینہ روایت برقرار رکھنے پر فخر ہے۔ بینک نے ڈیویڈنڈز کی ادائیگیوں اور منافع برقرار رکھنے کے درمیان توازن قائم رکھنے کے لیے دانش مندانہ نقطہ نظر اپنایا ہے جس سے اسے ایک مستحکم ایکویٹی میں قائم کرنے اور اسے مزید مضبوط بنانے میں مدد ملی ہے۔

Business & Operations Review

Business Review

Financials

The Bank delivered strong performance in 2025 amid a challenging macroeconomic environment, achieving sustained growth across key indicators. Key financial highlights of the Bank for 2025 are as follows:

	2025	2024
Total Assets	Rs 4.8 trillion	Rs 3.9 trillion
Islamic Financing & Related Assets – Gross	Rs 1.7 trillion	Rs 1.6 trillion
Investments	Rs 2.6 trillion	Rs 1.9 trillion
Deposits	Rs 3.3 trillion	Rs 2.6 trillion
Total Equity	Rs 279 billion	Rs 247 billion
Asset to Equity Leverage	17.2 times	15.8 times
Total Branches	1,105	1,051

Total deposits of the Bank increased to Rs 3.3 trillion in 2025 from Rs 2.6 trillion in 2024, reflecting a growth of 28%, which exceeded the industry's deposit growth of 24%. During the year, the Bank further expanded its branch network to 1,105 across 363 cities, strengthening its nationwide presence and improving access to Shariah-compliant banking services to both urban and underserved regions. The strategic expansion of physical outreach, complemented by a strong digital infrastructure, continued to support Bank's growth and reinforced its brand value.

The Bank's total assets closed at Rs 4.8 trillion, driven by an investments portfolio of over Rs 2.6 trillion and gross financing of Rs 1.7 trillion. The total assets grew by 23%, while the equity rose by 13%, reaching to Rs 279 billion, which reflects strong profitability and prudent capital retention. The Bank maintained a strong Capital Adequacy Ratio of 19.2%, comfortably above regulatory requirements, reflecting a sound capital position and balance-sheet resilience.

During the year, net spread decreased by 12% to Rs 252 billion from Rs 287 billion in 2024, primarily due to a significantly lower average policy rate environment. Fee and Commission income recorded a growth of 6%, with key contributions from trade services, investment banking fees and branch banking fees. Despite margin compression, the Bank reported a profit after tax of Rs 89 billion in 2025, maintaining its position among the most profitable banks in the industry and one of the most valuable banks by market capitalization. The Bank delivered a Return on Average Equity of 33.8% for the year, underscoring its ability to generate sustainable shareholder returns.

Through a continued focus on growth, financial inclusion and operational efficiency, the Bank continues to strengthen its leadership in the banking sector while remaining well-positioned to deliver long-term, sustainable value to its stakeholders.

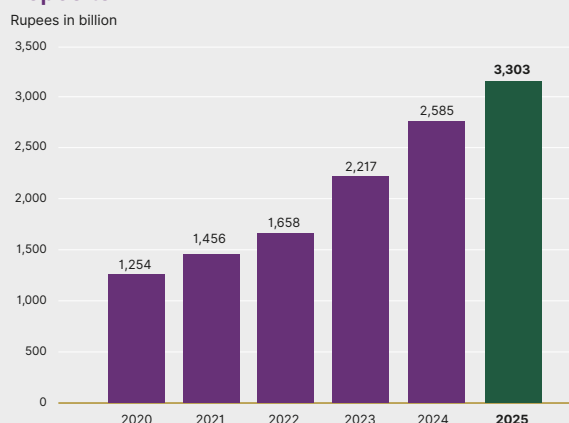
Financial Highlights



CREDIT RATING

The Bank's credit ratings were reaffirmed at AAA/A-1+ for long-term and short-term respectively. The medium to long-term rating of 'AAA' denotes highest credit quality with negligible risk factors, being only slightly more than for risk-free debt of Government of Pakistan (GoP). The credit rating agency has acknowledged the Bank's liquidity profile as 'strong', as reflected by the Bank's ability to post strong growth in deposits along with an improvement in deposit composition whilst maintaining the lowest cost of fund amongst peers.

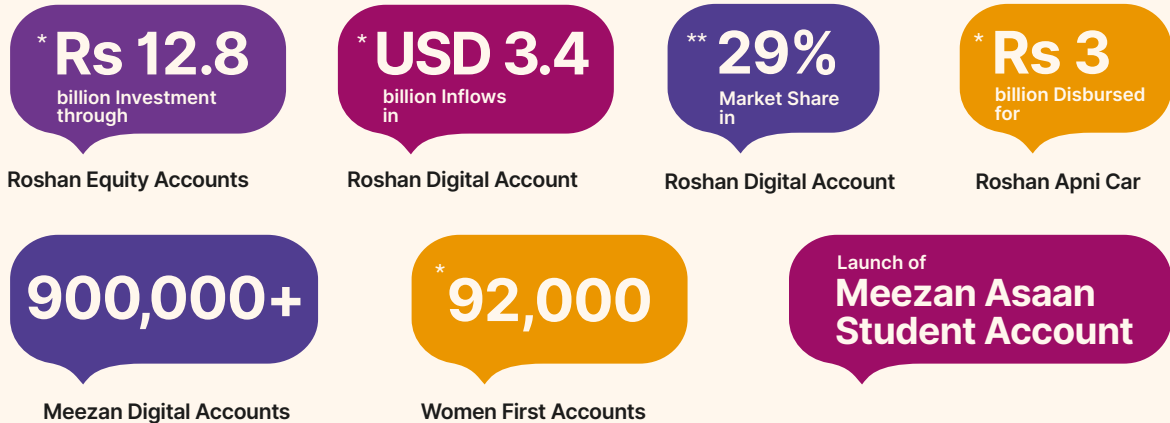
Deposits



Retail Banking

Meezan Bank continued to strengthen its retail banking franchise during 2025, supported by customer growth, an expanding branch network and a comprehensive range of Shariah-compliant products and services. The Bank remained focused on broadening financial inclusion, enhancing customer experience and upholding Islamic banking principles while ensuring sustainable growth.

2025 Highlights



*Since commencement **Total Funds Inflow

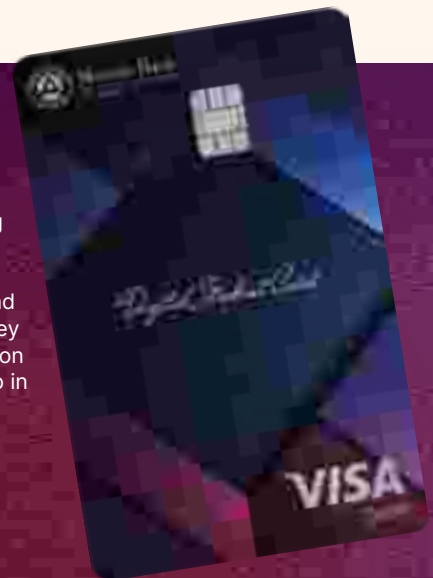
Launch of Meezan Asaan Student Account

In line with its commitment to financial inclusion and youth empowerment, the Bank launched the Meezan Asaan Student Account, a dedicated Shariah-compliant banking solution for students aged between 18–24 years. The account is designed to introduce young individuals to formal Islamic banking at an early stage, enabling responsible financial behaviour and long-term inclusion.

To support the launch, Meezan Bank conducted extensive financial literacy and account activation initiatives across nearly 30 universities nationwide. A key milestone of this initiative was the introduction of the Pakistan's first financial inclusion debit card designed specifically for students, reinforcing Meezan Bank's leadership in inclusive and purpose-driven innovation.

Prominent Features of Meezan Asaan Student Account:

- Free Student Debit Card throughout the student journey
- Free SMS alerts
- Exclusive discounts at in-demand outlets



Roshan Digital Account (RDA)

Meezan Bank continued to maintain its leading position in the Roshan Digital Accounts (RDA) space, reflecting strong trust from overseas Pakistanis in Bank's services. The Bank has 149,000 RDA accounts with a market share of 17% in terms of number of accounts and 29% in terms of total inflows of funds. Key achievements in 2025 include:

- Funds Inflows surpassing USD 3.4 billion since commencement
- Leading position in terms of the highest Roshan Equity Accounts with investment exceeding Rs 12.8 billion since commencement
- Investment in Mutual Funds exceeding Rs 4.9 billion since commencement
- Roshan Apni Car disbursement exceeding Rs 3 billion since commencement



Enhanced Product Offering for Freelancers

Recognizing the growing contribution of freelancers to Pakistan's economy, Meezan Bank continued to enhance the Meezan Freelancer Account with improved digital capabilities and value-added services. The Bank actively engaged with the freelancer community through seminars and panel discussions in collaboration with the Pakistan Freelancers Association (PAFLA). These engagements focused on educating freelancers about Shariah-compliant banking solutions, digital payment gateways, foreign currency receipt mechanisms and seamless account management. By strengthening payment infrastructure and awareness, Meezan Bank reinforced its commitment to support freelancers with modern, Shariah-compliant and globally connected banking solutions.



Strengthening Engagement - Meezan Women First Account

Meezan Bank continued to advance its Banking on Equality agenda through the Meezan Women First Account, a dedicated product designed to address the financial needs of women. During the year, the Bank actively participated in a broad range of women-centric events, workshops and awareness sessions aimed at promoting financial independence and inclusion, resulting in a total portfolio of more than 92,000 accounts.

Collectively, these initiatives engaged more than 30,000 participants, significantly deepening the engagement with women across diverse segments. Through dedicated service models, tailored product offerings and consistent outreach efforts, Meezan Bank reaffirmed its position as a leading advocate for women's financial empowerment, reflecting its commitment to financial inclusion through Shariah-compliant banking solutions.



Digital Distribution Channels

Meezan Bank offers a secure, scalable and customer-centric banking experience that enhances accessibility, efficiency and convenience. This digital-first approach extends the reach of our nationwide footprint, delivering a modern, unified and Shariah-compliant banking experience for both individual and corporate customers.

ATM & CDM Network

Meezan Bank's ATM network continued to expand with a focus on customer accessibility and convenience. During 2025, the Bank operated 1,321 ATMs across 347 cities with 1,125 on-site ATMs and 196 off-site ATMs. To effectively manage high transaction volumes, 68 branches are equipped with dual ATMs while two branches, UP More and North Karachi Industrial Area, are equipped with triple ATMs. Additionally, mobile ATMs were deployed to cater customers' banking needs at selected locations. The network maintained an uptime of 97.1% in 2025 and processed 133.9 million transactions, reflecting a 13% YoY increase, while cash withdrawals grew by 25% amounting to Rs 2.7 trillion.

To further enhance customer convenience, the Bank deployed 24 Cash Deposit Machines at high-volume locations. In 2025, these machines processed 175,439 deposit transactions amounting to Rs 19.8 billion, providing customers with a round-the-clock real-time deposit facility.

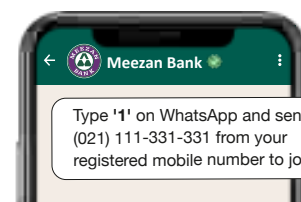
WhatsApp Banking

Meezan Bank continued to strengthen its digital ecosystem through WhatsApp Banking, providing customers with a simple, secure and accessible channel to perform essential banking services. The platform enables Account Balance inquiries, Account Statements, Tax Certificates, Cheque Book requests, and Debit Card block/unblock services anytime and anywhere, reinforcing the Bank's commitment to customer-centric digital banking.

With a user base exceeding one million customers, the channel has emerged as a trusted, scalable and high-engagement platform. During 2025, it recorded 54.4 million interactions, demonstrating strong adoption and frequent day-to-day usage, while reducing reliance on physical touchpoints.

One Million+

User Base



Meezan Mobile App

37% Increase
in Monthly Active Users

40% Growth
in Financial Transactions

50% Increase
in Registered Users

300 Million
more Logins in 2025 vs. 2024



Meezan Bank continued to strengthen its leadership in digital banking through its highly rated mobile app, recognized for its simplicity, speed and reliability. In 2025, the app's user base expanded by 40% to over 4.3 million users, with financial transactions increasing by 40% to 552.5 million. Total value of the transactions surged by 54% reaching Rs 27.9 trillion, reflecting strong customer adoption and trust in Bank's digital channels.

The Bank has maintained industry-leading ratings on both Google Play Store and Apple App Store for over five years. Additionally, Meezan Bank has reinforced its leadership position in digital transactions by capturing over 32.5% of the transactions passing through 1Link's grid in 2025.

Key features of the new App include:

- Debit Card Activation & PIN Change
- Funds Transfer - Limit Management
- Cards (ATM – POS – E-com) - Limit Management
- Real-time Push Notification



Our users span nine decades, from **age 10 to 92**, highlighting the App's ease of use.

Leading Bank for

Digital Transactions Volume

1Link Monthly Ranking Report

3.4 Mn

Active Users

4.3 Mn

Total Users

552.5 Mn

Financial Transactions

915 Mn

Total Logins

Leading Ratings for Over 5 Years



Meezan Mobile App Snapshot

Meezan Mobile App



40% ↑

Transactions Volume

54% ↑

Transactions Value

Meezan Debit Cards



18% ↑

Debit Cards Portfolio

31% ↑

New Cards Acquisitions

Debit Card Spend



34% ↑

Total Debit Card Spend

Meezan ATMs



13% ↑

Transactions via ATMs

25% ↑

ATM Amount Disbursal

Digital Payment Solutions



80% ↑

POS Acquiring Transactions Volume

171% ↑

E-Commerce Payment Gateway Transactions Volume

POS Acquiring

In 2025, Meezan Bank delivered strong growth, expanding its POS network to 33,631 terminals across 334 cities. POS transaction volume increased by 80% YoY reaching Rs 384 billion, with a record monthly volume of Rs 43 billion processed in December 2025.

The Bank continued to drive financial inclusion, with mid-sized merchants and SMEs accounting for approximately 50% of total POS volume, reflecting its commitment to supporting business growth and expanding financial access. Key achievements in 2025 included:

- **Raast QR Integration:** Enabled Raast QR for key merchants to digitize their payment acceptance.
- **Integrated POS Solution:** Implemented a POS integration solution that enables seamless reconciliation of credit and cash transactions within a unified system, improving accuracy and reducing manual reconciliation efforts for merchants.
- **Wireless ECR Innovation:** Became the first bank to introduce a Wireless/Bluetooth Electronic Cash Register (ECR) integration solution, enabling secure and cable-free connectivity between POS and payment systems.

RAAST P2M

In 2025, the Bank continued to strengthen its digital payments ecosystem through the expansion of RAAST Person-to-Merchant (P2M) QR acceptance. RAAST QR was deployed across both POS-integrated terminals and standalone solutions, enabling merchants to accept instant, interoperable and low-cost digital payments. The RAAST merchant portfolio spans all segments from Tier-1 enterprises to small merchants, reflecting broad-based adoption. Top-tier merchants include leading brands such as Ideas, Al-Latif Supermarket, Outfitters and National Medical Centre. By year-end, RAAST QR acceptance had been rolled out to over 3,000 merchants.

Transaction volumes demonstrated strong momentum, with transactions reaching Rs 234 million in the final quarter alone and Rs 337 million recorded in 2025. This growth reflects increasing acceptance and supports the Bank's commitment to the State Bank of Pakistan's national payment initiatives.

E-commerce Payment Gateway

Meezan Bank's E-Commerce Payment Gateway continued to scale, providing merchants with a secure and reliable platform for website and mobile-based payments. The Bank onboarded over 10,000 merchants and achieved transaction volume of Rs 33.2 billion, representing 171% YoY increase. Key achievements in 2025 included:

- **Strategic Brand Acquisition & Diversification of Portfolio:** Expanded our market presence by onboarding premier brands across diverse sectors, including Sana Safinaz (Retail), PriceOye (Electronics/Marketplace) and Krave Mart (Quick-Commerce).
- **Aggregator Network Expansion:** The Bank's aggregator portfolio grew from five to seven active partners, strengthening digital distribution network and market reach.

Digital Fund Transfers

Meezan Bank further strengthened its leadership in digital fund transfers, enabling secure and efficient transactions. In 2025, the transactions processed through Meezan Mobile App and Internet Banking reached 503.1 million, with a total value of Rs 26.9 trillion, reflecting a growth of 28% in volume and 19% in value compared to the previous year.

Of these transfers, 155.3 million transactions worth Rs 15.3 trillion were conducted within Meezan Bank accounts, while 347.8 million transactions amounting to Rs 11.7 trillion were processed with other banks through 1Link and Raast.

Bill Payments and Services

Meezan Bank continues to lead the market with its extensive range of bill payment services. In 2025, the Bank processed 53.3 million bill payments worth Rs 1.3 trillion, reflecting a growth of 9% in volume and 17% in value compared to the previous year. With over 3,000 bill payment options available through direct services and strategic partnerships, the Bank continues to provide customers with a comprehensive and reliable bill payment platform.

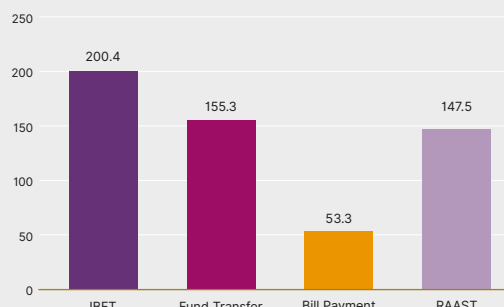
Raast Payments

In 2025, Meezan Bank recorded strong growth in Raast payments, processing 147.5 million transactions worth Rs 5.5 trillion, representing a threefold increase in volume and a twofold increase in value compared to 2024.

To further enhance customer convenience, the Bank introduced QR-based peer-to-peer (P2P) payments via Raast in 2025, enabling customers to make seamless and instant payments through mobile app, supporting wider adoption of digital payments in the country.

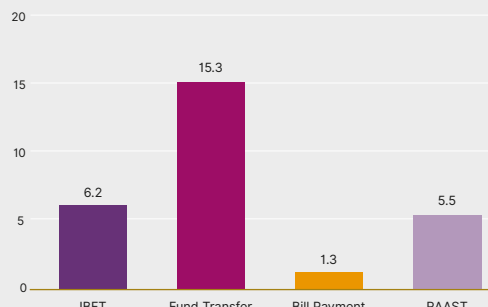
Digital Transactions Volume

In Million



Digital Transactions Value

Rupees in Trillion



Debit Cards

Meezan Bank offers one of the industry's most comprehensive portfolio of debit cards, supported by advanced payment technologies including NFC-enabled payments, Chip & PIN security, mobile-based contactless transactions and 3D secure e-commerce payments.

In line with its focus on innovation and inclusion, Meezan Bank launched the Meezan Visa Student Debit Card - a pioneering product for youth, which received international recognition at the Visa Payment Forum 2025 held in Barcelona, Spain, as the first offering of its kind in Pakistan. The Bank also received the PayPak Award for Incremental Debit Card issuance, highlighting its support for domestic payment schemes and alignment with the country's vision to promote local payment solutions.

As one of the few banks to launch Google Wallet in the first wave, Meezan Bank further strengthened its digital payments ecosystem for all debit cardholders, enabling faster and more secure transactions.

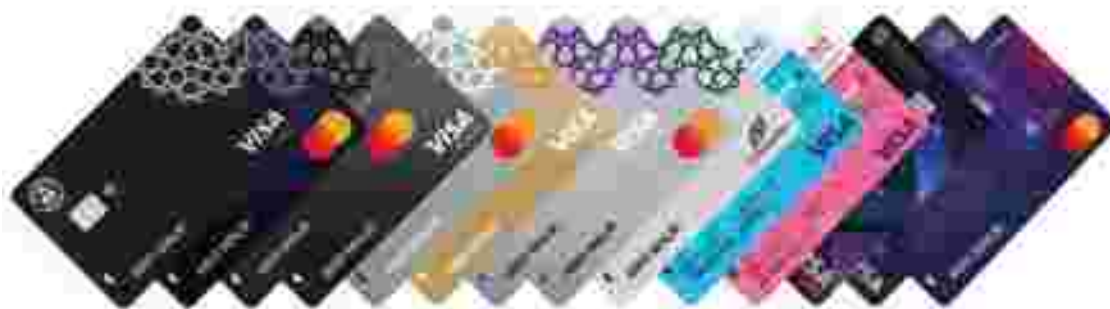
Further strengthening its brand identity and market positioning, the Bank introduced new debit card designs adopting a contemporary aesthetic. The refreshed designs enhance brand visibility and reinforce the Bank's positioning as a progressive Islamic financial institution. Additionally, the Bank rolled out large-scale spend campaigns to drive customer engagement, offering a range of attractive and industry-leading rewards, including Umrah packages, education financing, women's scooties, digital gadgets and bumper prizes such as a Hybrid Tucson and Toyota Yaris - representing a distinctive offering within the card industry.

In 2025, the debit cards portfolio grew by 18% to reach 4.7 million cards, while new card acquisitions increased by 31% YoY. The Bank maintained its leadership position in card spending across all card categories in the industry, achieving a total spend of Rs 410 billion, representing a 34% increase over the previous year.

Loyalty and Alliances

During the year, Meezan Bank significantly expanded its strategic alliance portfolio, strengthening its presence across key sectors including dining, lifestyle, health & fitness, golf, retail, airlines and CIP lounges. With nearly 300 alliance partners onboard, these collaborations enhanced the Bank's value proposition and supported deeper customer engagement. Strategic partnerships with leading brands like Sakura, Marco Polo, Dumpukht, Fuchsia, Marigold, Yum, Spice Bazaar, Cyclone Gym, TriFit Fitness Clubs, Premium Club and Springs Store have strengthened the value proposition of Meezan Bank's cards, driving higher preference, activation and spend.

Looking ahead, the Bank remains committed to sustaining this growth momentum by expanding its alliance network, with a focus on collaborating with high-quality brands that align with the Bank's strategic objectives.



Fintech Collaboration

Meezan Bank actively collaborates with fintechs to enhance its offerings and drive financial inclusion across the country. Through API-based services, the Bank empowers fintechs to deliver advanced features at affordable costs. These services include:

- BIN Sponsorship & Settlement Services
- Account-Based Debit Services
- Fintech Wallet Unlock & Upgrade
- Cash Withdrawal via ATMs
- Trust Account Services

Rs 6.4 Bn

Payoneer Transactions Processed

By fostering partnerships with fintechs and start-ups, Meezan Bank continues to drive innovation and digital transformation in Pakistan's financial landscape. The Bank integrated Payoneer with its mobile app, enabling customers to seamlessly link their Payoneer accounts and transfer funds directly into their Meezan Bank accounts. During 2025, approximately 60,000 Payoneer transactions were processed, amounting to a total value of Rs 6.4 billion.

Financing Portfolio

2025 Highlights

Rs 1,241 billion

Corporate Banking Portfolio

Rs 303 billion

Commercial Banking Portfolio

Rs 1.5 trillion

Investment Banking Transactions

SME Financing

2025 **Rs 46.6** billion

2024 **Rs 28.2** billion

Supply Chain Financing

2025 **Rs 12.3** billion

2024 **Rs 7.1** billion

168

Farmer Awareness Programs

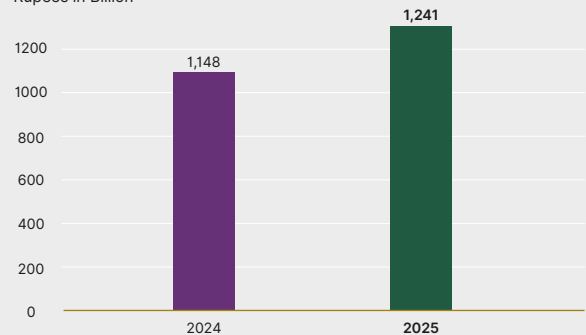
Corporate Banking

Meezan Bank offers an extensive range of Shariah-compliant financial services to all segments including domestic, multinational and public sector entities. Leveraging the expertise of in-house product specialists and Shariah scholars, the Bank provides tailored solutions in working capital finance, import finance, export re-finance, commodity financing, long-term finance, project financing and documentary credit facilities.

In 2025, Meezan Bank's Corporate Banking funded portfolio grew by 8.1%, from Rs 1,148 billion in 2024 to Rs 1,241 billion in 2025, while maintaining non-performing financing at a commendable low rate of under 2%.

Corporate Banking Portfolio

Rupees in Billion



Trade Business

In 2025, Meezan Bank recorded trade business of Rs 2.9 trillion, marking an increase of 7% from Rs 2.7 trillion in 2024. The export business volume reached Rs 1.1 trillion in 2025, underscoring the Bank's commitment to fostering financial activities and supporting trade.

Rs 2.9 Tr

Trade Business Volume

Investment Banking

In 2025, Meezan Bank's Investment Banking business continued to reinforce its leadership position in Pakistan's financial sector by delivering innovative, Shariah-compliant structured solutions. Through highly specialized origination, advisory and execution teams, the Bank remained a trusted partner for large corporates, public sector entities and multinational clients across diverse sectors.

During the year, the Bank originated and closed transactions exceeding Rs 1.5 trillion across telecom, power, cement, sugar, tire manufacturing, pharmaceuticals, energy infrastructure, electric and plug-in hybrid vehicles, achieving an eightfold YoY growth in deal volumes.

Key landmark transactions during the year included large-scale structured and syndicated financings for Sindh Engro Coal Mining Company (SECMC), supporting energy infrastructure development and continued strategic engagement with the Central Power Purchasing Agency (CPPA) through liquidity solutions and structured settlements across the power sector value chain.

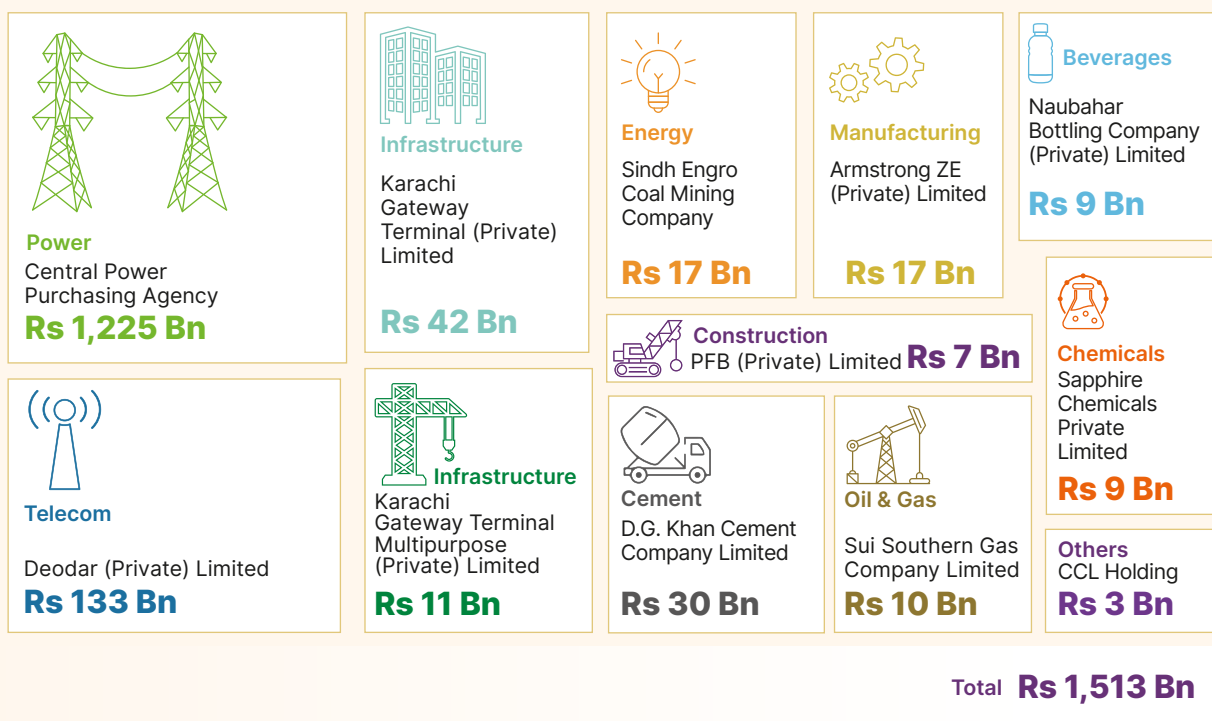
The Bank further strengthened its leadership in Shariah-compliant structured finance by acting as Mandated Lead Advisor & Arranger on the landmark Rs 133 billion acquisition of Deodar Private Limited by Engro Group, representing Pakistan's largest private sector Shariah-compliant syndicate financing to date.

Aligned with its Environmental, Social and Governance (ESG) priorities, Meezan Bank continued to support renewable energy initiatives aimed at reducing carbon emissions and contributing to long-term environmental sustainability.

Some of the key transactions of 2025 are as follows:



Mr. Irfan Siddiqui - Founder President & CEO, Meezan Bank, Dr. Syed Amir Ali - President & CEO, Meezan Bank and Mr. Jameel Ahmad - Governor, State Bank of Pakistan along with key executives at the financial close ceremony of Engro's landmark acquisition of Deodar.



Key Awards and Recognitions

Asset AAA

Sustainable Finance Awards (2026)

- Best Bond Advisor - Pakistan
- Best Sukuk Sovereign - Pakistan
(Ministry of Finance, Government of Pakistan 32 billion Rupees Sovereign Green Sukuk)
- Best Acquisition Financing - Pakistan
(Engro Connect 133 billion Rupees Acquisition Financing for Deodar)

Islamic Finance Awards (2025)

- Best Islamic Project Finance Deal
(Armstrong ZE (Pvt) Limited US\$ 25.13 million Syndicated Project Finance Facility)
- Best Syndicated Loan
(Pakistan Mobile Communication 75 billion Rupees Syndicated Term Finance Facility)

Islamic Finance News

- Best Islamic Investment Bank - Pakistan

Asian Banking and Finance

Corporate & Investment Banking Awards

- Project Infrastructure Finance Deal of the Year - Pakistan



Commercial Banking

In 2025, Meezan Bank's Commercial Banking segment delivered resilient performance amid challenging macroeconomic environment, reaching Rs 303 billion.

During the year, new financing avenues were introduced including contract financing, share financing and financing for corporate farming under Green Pakistan Initiative. The segment's performance was supported by disciplined credit approach, prudent portfolio management and continuous monitoring of risk exposures. These measures helped maintain non-performing financing at a low level, while recoveries amounting to Rs 3.2 billion further strengthened asset quality.

During the year, the Bank expanded its client base and onboarded 200+ New-to-Bank (NTB) commercial relationships, enhancing the Bank's market reach and reinforcing its regional presence.

Rs 303 Bn

Commercial
Financing Portfolio

200+ NTB

Customers Onboarded

Small & Medium Enterprises (SMEs) Financing

In 2025, Meezan Bank's SME portfolio grew to Rs 46.6 billion, expanding its reach to over 3,700 clients. This growth was driven by a focused strategy to penetrate underserved markets through tailored Shariah-compliant solutions, with Fleet and Non-Commercial financing increasing to Rs 27.5 billion, as the Bank actively capitalized on the logistical needs of expanding businesses. Furthermore, Supply Chain Financing (SCF) within the SME segment reached Rs 3.9 billion, representing 8.4% of the SME book.

Asset quality remained strong, with an NPL ratio of 1.7%, supported by robust risk assessment frameworks and disciplined monitoring. The Bank also continued to advance financial inclusion through SBP-led initiatives, with an outstanding portfolio of Rs 6.1 billion, including the Islamic SME Asaan Finance Scheme (I-SAAF) (Rs 5 billion) & the Prime Minister's Youth Business and Agriculture Loan Scheme (PMYB & ALS) (Rs 1.1 billion).

Rs 46.6 Bn

3,700
Clients

SMEs Financing
Portfolio

PMYB & ALS

18%

Outstanding
Portfolio of
SBP-led
Initiatives
Rs 6.1 Bn

82%

I-SAAF

Supply Chain Financing

In 2025, Supply Chain Financing (SCF) remained a key strategic pillar, bridging liquidity needs across both SME and Commercial segments. The SCF portfolio achieved a remarkable 72% growth, reaching Rs 12.3 billion (2024: Rs 7.1 billion), supported by the addition of over 10 new anchors. This growth was complemented by the Bank's enhanced focus on deepening existing relationships to further strengthen linkages across the value chain.

72% 

Supply Chain
Financing Portfolio

Agriculture Financing

In 2025, Meezan Bank strengthened its agriculture financing in line with its Sustainable Finance agenda and the State Bank of Pakistan's Climate Smart Agriculture (CSA) framework.

The active borrower base increased to approximately 11,000, including over 6,900 women entrepreneurs in underserved rural areas. The Bank's performance was recognized by the SBP through an upgrade from Medium to High Gradient, ranking Meezan Bank 2nd among large banks in FY 2024–25, based on SBP's agriculture credit performance scorecard.

The Bank surpassed SBP targets across all key metrics, achieving 103% of the disbursement target, 136% of the outstanding borrower target and 117% of the outstanding amount target. Growth was further supported by the launch of new Shariah-compliant products including Crop & Land Development finance, Electronic Warehouse finance, Digital Agri finance and Livestock finance.

To expand financial access to rural women, Rs 750 million in Shariah-compliant wholesale financing was extended to women entrepreneurs in underserved rural regions.

The Bank also conducted 168 Farmer Financial Literacy programs, engaging over 5,000 farmers, with a strong focus on women participation. Technology-enabled initiatives, including integration with land record systems and participation in SBP-led digital agriculture programs strengthened transparency, access and sustainable rural uplift.

Disbursed

Rs 108 Bn

during July 2024-June 2025



Meezan Bank empowering farmers through awareness sessions focused on knowledge sharing, guidance and tailored financial solutions.

Consumer Finance

Meezan Bank continues to strengthen its leadership in providing Shariah-compliant consumer financing, offering a comprehensive suite that includes Car Ijarah, House Finance, Bike Finance, Solar Finance and Consumer Ease.

Supported by a digital-first approach, the Bank enables seamless and secure customer journeys across its platforms, enhancing convenience, transparency and efficiency in consumer financing.

2025 Highlights

Rs 97,143 Mn

Car Ijarah Portfolio

Rs 18,432 Mn

Housing Finance Portfolio

Rs 833 Mn

Meezan Apni Bike Portfolio

Rs 453 Mn

Solar Financing Portfolio

Rs 61 Mn

Consumer Ease Portfolio

1st Position

in Govt. Hajj Application Collection

Car Ijarah

Meezan Bank's Car Ijarah offering remained a leading Riba-free auto financing solution in the industry, structured on the Shariah-compliant mode of Ijarah (leasing). During 2025, the Bank enhanced customer convenience and turnaround time through targeted process improvements including a fast track process with pre-approved financing limits and an Instant Car Ijarah Approval program, enabling Meezan Bank account holders to receive approval in less than a minute.

To make vehicle ownership more accessible, the Bank launched several market-leading promotional campaigns, including zero-profit-rate financing in collaboration with MG and Jetour, along with subsidized profit rate offerings with KIA Motors.

Operational enhancements included the integration of approval and disbursement systems for Corporate Ijarah, automation of bureau data retrieval and NADRA-based CNIC verification to further streamline credit evaluation and controls.

Meezan Easy Home – Islamic Housing Finance

During the year, Meezan Bank recorded housing finance disbursements of Rs 5.1 billion, with the outstanding housing finance portfolio reaching Rs 18.4 billion in 2025. Under the Meezan Women First initiative, the Bank continued to offer preferential housing finance rates and enhanced benefits for female customers. During the year, 400 women customers availed housing finance facilities amounting to over Rs 2 billion, underscoring the Bank's proactive role in supporting women-led home ownership.

To further strengthen the housing ecosystem and expand outreach, the Bank established strategic collaborations with renowned builders and developers, enabling customers to access quality housing solutions through Shariah-compliant financing. Additionally, the Bank offers a fixed-rate housing finance option for the first three years, providing payment certainty and enhanced affordability through predictable instalments.

Meezan Apni Bike

Meezan Apni Bike continued to strengthen its position as a leading Riba-free motorcycle financing solution, structured on the Islamic financing mode of Musawamah. During the year, the Bank expanded the product range by onboarding additional motorcycle brands, including Super Star Bike, Hi-Speed Bike and Eco-Dost Bike. The Bank also digitized the legal documentation process & introduced Digital Onboarding system, enabling customers to submit their motorcycle financing requests online and receive swift approvals and seamless disbursements.

The Bank also expanded into electric bike financing through targeted marketing campaigns & partnerships with multiple vendors. An attractive zero-profit-rate facility for up to 24 months was introduced to promote affordable & sustainable mobility.

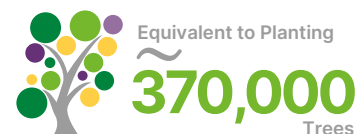
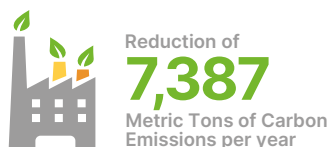
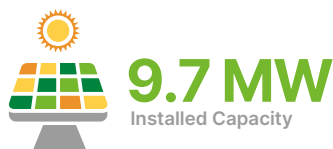
Easy Home- Mera Ghar Mera Ashiana (MGMA)

To support affordable housing finance and advance financial inclusion, Meezan Bank, under the guidance of the State Bank of Pakistan (SBP), introduced a Shariah-compliant solution under the Profit Subsidy and Risk Sharing Scheme, namely "Mera Ghar Mera Ashiana (MGMA)". The scheme enables construction of homes and first-time purchase of constructed housing units at subsidized rates in full compliance with Shariah principles.

Meezan Bank became the first bank in the industry to disburse a housing finance case under the Shariah-compliant MGMA scheme, reflecting its commitment to support the housing and construction sector and contributing to the Government's vision of "Housing for All".

Meezan Solar Financing

Meezan Bank remains committed to advancing sustainable finance by enabling Shariah-compliant renewable energy financing, reinforcing its role in promoting environment sustainability. By December 2025, the Bank's solar financing portfolio included 765 active units with an outstanding of Rs 453 million. Total installed capacity reached 9,677 kilowatts (approx. 9.7 megawatt), contributing to an estimated reduction of 7,387 metric tons of carbon emissions per year, which is equivalent to planting approximately 370,000 trees annually.



Consumer Ease-Durable Financing

Meezan Bank's Consumer Ease product enables customers to utilize bank-assigned limits to shop from a menu of over 500 products, with a 3-years limit. This range includes smartphones, LEDs, electronics, home appliances and other durable goods.

In 2025, the active portfolio reached 1,009 units with Rs 61 million outstanding finance, serving over 589 customers. This product is currently offered to Meezan Bank's staff and Meezan Payroll Partner customers.

Meezan Labbaik-Hajj & Umrah

Meezan Labbaik is a Riba-free financing solution for Hajj & Umrah, initiated as a Corporate Social Responsibility initiative to support customers' holy journey through 12-month instalment plan.

Meezan Bank retained its top position (1st) among the 15 participating Pakistani banks in the Government's Hajj application collection initiative for 2025. Overall, 87,594 Hajj applications were collected by all banks, out of which Meezan Bank's share stood at 24.9% with 21,791 applications.

Shariah Advisory Services

Meezan Bank provides comprehensive Shariah advisory and technical services to a wide range of institutions, including banking companies, Non-Banking Financial Institutions (NBFIs), Asset Management Companies (AMCs), stock exchanges, takaful companies, Microfinance Institutions (MFIs), brokerage houses and other corporate entities in Pakistan and internationally.

The Bank's Shariah Advisory services include the establishment of Islamic financial institutions, conversion of conventional businesses into Shariah-compliant entities, ongoing Shariah compliance advisory, development of Sukuk, transaction structures and tailor-made Shariah-compliant products. In addition, the Bank provides Shariah compliance reviews, Shariah audits, as well as capacity-building and training services to its clients.



Syed Tariq Ali - Head, Investment Banking and Shariah Advisory, Mr. Rehan Waheed - Unit Head, Investment Banking and Shariah Advisory from Meezan Bank and Mr. Ruhail Muhammad - CEO, Lucky Electric Power Company, Mr. Naeem Kasbati - CFO, Lucky Electric Power Company with their respective teams.

During 2025, the Bank continued to provide Shariah advisory and transaction structuring services to leading corporate and financial sector clients, reinforcing its role as a trusted partner for complex Shariah-compliant financial solutions. Key assignments included:

- Lucky Electric Power Company Limited, for the conversion of its three long-term PKR-denominated conventional syndicated financing facilities into Shariah-compliant syndicated facilities, with an aggregate value of approximately Rs 36 billion.
- Amreli Steels Limited, for the restructuring of its short-term and long-term Islamic financing arrangements, including bilateral and syndicated transactions, with an aggregate value of approximately Rs 4.7 billion.
- Stylers International Limited, for structuring a Shariah-compliant financing transaction for the company's Directors and their related parties for partial payment towards the acquisition of land and building. The Bank also provided comprehensive Shariah technical services enabling the company to obtain the SECP Shariah Compliance Certificate under the Shariah Governance Regulations, 2023.

During the year, the Bank's Shariah Advisory Unit developed twelve corporate Sukuk structures across various sectors aimed at raising Shariah-compliant redeemable capital, in line with diverse corporate funding requirements.

The Bank continued to provide Shariah advisory and technical services to several MFIs, including Rural Community Development Program, CSC Empowerment & Inclusion Program, Damen Support Program and SAFCO Microfinance Company, supporting policy development, product structuring and transition towards Islamic microfinance. Advisory engagements were also maintained with ZLK Islamic Financial Services (Private) Limited in Australia, Al Meezan Investment Management Limited and NBP Fund Management Limited, covering 62 funds and plans with aggregate funds under management exceeding Rs 857 billion.

As part of its capacity-building initiatives, the Bank conducted a workshop for MFIs on Islamic finance conversion and delivered two training sessions for Al Meezan Investment Management Limited to enhance practical understanding of Islamic finance principles.



Further details about the Shariah Advisory initiatives of the Bank are provided in the Shariah Board Report 2025.

Home Remittance

Meezan Bank continues to facilitate international remittances under the Pakistan Remittance Initiative (PRI) as well as non-PRI arrangements through its Meezan 'Easy Remit' brand. The Bank offers instant credit to beneficiary accounts and wallets, Cash over the Counter (CoC) payments and issuance of Electronic Pakistan Remittance Certificates (E-PRCs) to support customers' tax compliance needs.

The Bank provides a range of remittance-focused products, including the Meezan Express Account, Asaan Remittance Account, Digital Asaan Remittance Account and Meezan Smart Wallet (Home Remittance Account), enabling convenient and secure receipt of overseas funds.

To encourage inflows through formal banking channels, the Bank actively collaborates with international remittance partners through aggressive marketing incentive programs across remittance corridors.

In 2025, the Bank recorded 109% YoY growth in remittance volumes, supported by onboarding of new partners and targeted marketing campaigns. The Bank also co-sponsored the 5th Pakistan Remittance Summit (PRS) held in London, United Kingdom and actively participated in key remittance engagement events with the Pakistani diaspora in London and Manchester, strengthening relationships with overseas communities and industry stakeholders.



Mr. Muhammad Abdullah Ahmed, Group Head Transaction and International Banking, Meezan Bank along with his team at the 5th Pakistan Remittance Summit (London, United Kingdom).

109% 
Remittance Volume

Transaction and Employee Banking

Meezan Bank provides seamless cash management, employee banking and payroll financing, including on-site account opening services.

The Bank's eBiz+ corporate internet banking platform empowers clients across corporate, commercial, SME and institutional sectors to transact securely at any time. In 2025, the cash management system was upgraded with enhanced features and more user-friendly interface. Transactions grew by 13%, increasing cash management throughput from Rs 6.4 trillion in 2024 to Rs 9.5 trillion in 2025, reflecting 48% growth.

In employee banking, the Bank's portfolio surpassed 150,000 accounts, with a book size of around Rs 8 billion. The launch of Digital Onboarding for employee accounts further strengthened service delivery. In 2025, the Payroll Financing unit was launched to offer consumer financing to existing payroll customers for home appliances, bike financing and solar financing.

48% 

Cash Management
Throughput

150,000

Employee Banking Accounts

Financial Institutions and Correspondent Banking

The Bank, through its Financial Institutions and Correspondent Banking department, focuses on building and expanding correspondent banking relationships globally, with a network spanning 87 countries and over 650 correspondents. These correspondents offer a spectrum of services, including advising, confirmation, discounting of Letters of Credit (LC), reimbursement undertakings, standby LCs and guarantees.

In September 2025, Meezan Bank participated in Sibos 2025 in Frankfurt Germany, marking its second consecutive appearance at the conference, which was attended by over 12,500 participants from 150+ countries.

In 2025, the Bank added Lloyds Bank (UK) and Sumitomo Mitsui Banking Corporation (SMBC), Japan to its list of clearing accounts, strengthening Meezan Bank's capabilities in supporting trade and payment activities for customers engaged with the UK and Japanese markets.



Mr. Muhammad Abdullah Ahmed, Group Head Transaction and International Banking, Meezan Bank along with his team at Sibos 2025 in Frankfurt, Germany.

Treasury

Meezan Bank continued to reinforce its leadership position in foreign exchange and money markets by operating as an active market maker and a key market participant. The Bank continues to serve as an active market maker in all listed GoP Ijarah Sukuk issued through the Pakistan Stock Exchange (PSX) and SBP counter. Furthermore, Meezan Bank offers a full suite of foreign exchange products including import, export, inward and outward remittance, forwards and Bai Salam, in both local and foreign currencies.

In a landmark development, the Ministry of Finance conducted its first-ever Bai Muajjal auction program through the PSX. Meezan Bank led engagements with the Ministry of Finance and PSX, facilitating the introduction of Bai Muajjal on PSX and the regular resumption of these operations through the State Bank of Pakistan.

During 2025, 12 Sukuk auctions were conducted, raising Rs 2.1 trillion, with Meezan Bank's acceptance amounting to Rs 770 billion. The Bank also led the effective deployment of liquidity through Bai Muajjal with the Government of Pakistan, accounting for Rs 307 billion, representing a 66% share out of the total issuance of Rs 465 billion. The Bank also consistently maintained its leadership in Islamic fixed-income markets through active market-making and trading in GoP Ijarah Sukuk.

Meezan Bank actively participated in the State Bank of Pakistan's Shariah-compliant open market operations across short and long-term tenors and leveraged interbank market funding to support its operational requirements.

During the year, the USD-PKR exchange rate remained largely range-bound between PKR 278 and 281. The Bank effectively managed foreign exchange flows to cater customer requirements while continuing to strengthen its overall trade business.

Meezan Bank's Subsidiary Al Meezan Investment Management Limited

Meezan Bank's subsidiary, Al Meezan Investment Management Limited (Al Meezan), continues to hold its position as the largest Asset Management Company (AMC) in Pakistan, with a strong track record of over 30 years in fund management. As of December 31, 2025, Al Meezan's Assets Under Management (AUMs) crossed Rs 724.4 billion, including Separately Managed Accounts (SMAs) for corporate and high net-worth individuals. Excluding SMA, Al Meezan's AUMs represent approximately 15% of the total mutual funds industry and 32% of the Shariah-compliant mutual funds industry. Al Meezan also manages Pakistan's largest Voluntary Pension Fund, the Meezan Tahaffuz Pension Fund, with net assets of around Rs 41 billion as of December 31, 2025. The investor base has expanded to over 530,000 customers.

In 2025, Al Meezan received multiple accolades, reflecting its commitment to delivering best-in-class, Shariah-compliant and innovative investment solutions, further cementing its leadership in the asset management industry.

Awards

Al Meezan earned following accolades in 2025:



Best Asset Management Company of the Year at the 19th Consumer Choice Awards



Asset Management Company of the Decade 2016-2025 by the IFFSA Awards



Asset Management Company of the Year 2024-25 (Gold) at the 10th IFFSA Awards



Best Shariah Compliant Asset Manager 2025 Pakistan at the Worldwide Finance Awards



Best Banking Tech of the Year at the Pakistan Digital Awards for Raast, IBFT & Bill Payment Services

2025 Highlights

Rs 724.4 Bn

Assets Under Management

32%

Share of Shariah-compliant Mutual Funds Industry

530,000+

Investors

Al Meezan continues to expand its reach, operating through a network of 28 branches across 13 cities in Pakistan, complemented by Meezan Bank's extensive branch network. Al Meezan also holds the distinction of being the first AMC in Pakistan to be awarded the highest management quality rating of AM1 by both VIS and PACRA, reflecting its strong governance, robust risk management framework and operational excellence.

OPERATIONS REVIEW

Service Quality

Service Excellence is one of the core values of Meezan Bank, guiding the Bank's commitment to delivering a consistent customer-centric banking experience in line with its positioning as a leading Islamic financial institution.

Oversight of service delivery is provided through the Service Board, chaired by the President & CEO, with senior representatives from key business and support functions. The Service Board convenes regularly to review service performance and institute proactive measures aimed at consistently delivering a superior banking experience.

A dedicated Service Quality team continuously monitors branch performance against service standards approved by the Service Board, supported by mystery shopping and customer satisfaction surveys. Customer complaints are handled in accordance with the Customer Grievances Handling Policy approved by the Board, in line with the SBP's Consumer Grievances Handling Mechanism, with customer feedback and root cause analysis informing preventive actions. Furthermore, robo-call-based customer feedback is collected from branch customers, with a structured service recovery loop activated for all dissatisfied customers to ensure their concerns are effectively addressed and satisfaction is restored.

The Bank promotes fair treatment of customers through staff training, customer awareness initiatives and a comprehensive scorecard framework that embeds service standards across all customer-impacting processes. In 2025, the Service Scorecard methodology was further strengthened through integration of the RATER model (Reliability, Assurance, Tangibles, Empathy and Responsiveness), enabling a balanced and comprehensive evaluation of service performance across all customer touchpoints.

In line with its commitment to innovation and efficiency, the Bank has undertaken multiple automation and process improvement initiatives, including Robotic Process Automation (RPA), robo-call-based customer feedback, robo-call-based product knowledge assessments for frontline staff and AI-enabled smart email responses to enhance the quality and timeliness of customer communications.

Digital Transformation

In 2025, Meezan Bank continued to strengthen its digital-first operating model by accelerating digital adoption and expanding automation across key banking processes.

93.6%

Total Transactions via Digital Channels

~1 Mn

Interactions via MeezanGPT



OTC to Digital Conversion

Enhanced digital reliability and customer engagement accelerated the shift from over-the-counter (OTC) to digital channels.



In 2025, **42% of transaction value** and **93.6% of transaction volume** were processed digitally, reducing branch dependency and operating costs.

MeezanGPT

In 2025, Meezan Bank strengthened its AI capabilities, transitioning from experimentation to scale. MeezanGPT, the Bank's enterprise Gen AI platform, went live for both customers and employees across multiple business domains.

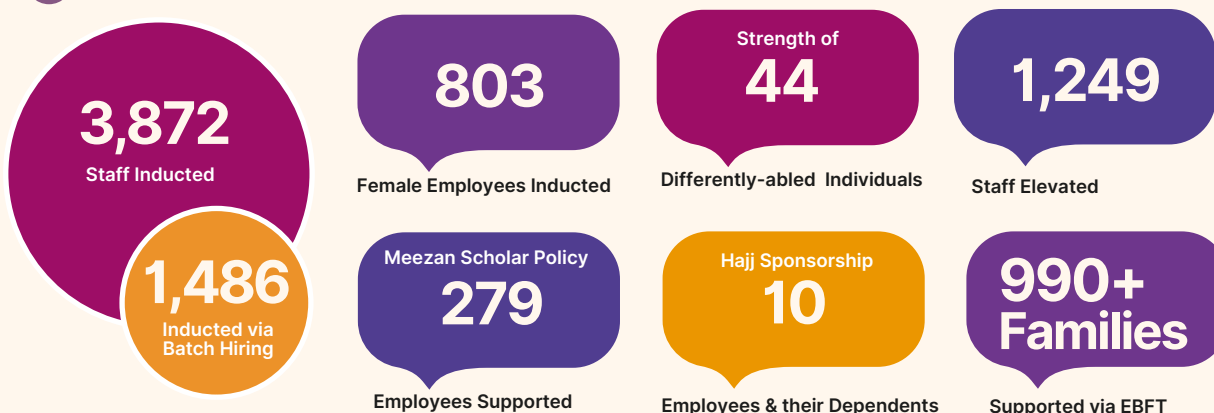
During the year, MeezanGPT facilitated nearly one million interactions with over 250,000 unique customers on Meezan Bank's website. Internally, thousands of employees regularly utilize MeezanGPT based portal for guidance on Bank's policies and procedures. These capabilities have enabled faster access to information, reduced dependence on human support for queries and a meaningful shift towards intelligent, self-service engagement across the Bank. Building upon the foundation of MeezanGPT, the Bank also implemented various pilot projects aimed at automating tasks that traditionally required human intervention.

Going forward, the Bank is committed to utilize AI capabilities together with RPA (Robotic Process Automation) to enhance customer service, improve turnaround times and drive significant efficiencies across various processes and services.

Human Resources

Meezan Bank continued to invest in its people to provide world-class banking experience to its customers. In 2025, the Bank inducted 3,872 employees, including 1,486 through nationwide batch-hiring initiatives. The Bank also focused on diversity and inclusion, hiring 803 female employees.

2025 Highlights



Transforming Employee Experience through Oracle HCM Cloud

In 2025, the Bank advanced its digital HR transformation journey with the implementation of Oracle HCM Cloud. In first phase, Oracle Recruiting Cloud significantly optimized recruitment and onboarding, enabling the seamless processing of over 6,500 requisitions and onboarding of more than 3,800 employees. The second phase, Oracle Performance Management, went live in January 2025 and improved the Bank's performance appraisal process.

Looking ahead, the Bank plans to roll out the Workforce Compensation module in 2026, which aims to digitalize the annual bonus, increment and promotion allocation processes, transitioning from manual to automated system.

Internal Career Development and Elevations

During 2025, the Bank elevated 1,249 employees, reflecting its commitment to internal career development. In Retail Banking, the elevations included 1 Distribution Head, 1 Regional Manager, 5 Area Managers and 65 Branch Managers.



Meezan Scholar Policy: Supporting Higher Education of Employees' Children

The policy provides financial support for university expenses for the children of employees at the EVP level and below. Meezan Bank covers 90% of educational expenses for employees at the AVP-I level and below and provides 80% financial support for employees from the VP to EVP levels. During 2025, 279 cases were sponsored, including 261 Bachelor's and 18 Master's/MPhil programs.

Annual Hajj Sponsorship Program and Hajj Souvenirs

In 2025, the Bank sponsored 10 employees and their dependents for Hajj, covering 100% of the expenses for employees and 50% for dependents.

The Bank continued its tradition of recognizing employees who have performed Hajj by presenting a commemorative souvenir and congratulatory letter. This reflects Meezan Bank's values of empathy, appreciation and connection, celebrating the individual accomplishment of performing Hajj.

Promoting Inclusion: Roshnaas Program for Persons with Disabilities (PWDs)

Meezan Bank is committed to inclusivity through its 'Roshnaas' program, a trainee initiative for Persons with Disabilities (PWDs). In 2025, more than 30 interns were inducted, helping enhance PWDs' employability and developing a more inclusive workforce.

ACCA Trainee Program 2025

The Bank onboarded more than 50 trainees for the ACCA Trainee Program 2025 across Karachi, Lahore and Islamabad. The program offers ACCA students career growth in areas like Finance, Investment Banking, Commercial Banking, Compliance and Audit.

Ex-Gratia Bonus

Meezan Bank awarded Ex-Gratia Bonus for winning the Best Bank Award at the Pakistan Banking Awards (PBA).

Employee Benevolent Fund Trust (EBFT) Support

In 2025, Meezan Bank's Employee Benevolent Fund Trust (EBFT) approved 990+ cases, totalling more than Rs 445 million, for providing medical support, marriage assistance, educational aid and financial assistance to the families of deceased employees.

Rs 445 Mn

Granted

HR Pinnacle Awards - Best Retention Strategy Award

Meezan Bank received the Best Retention Strategy Award at the HR Pinnacle Awards, organized by The Recruiters. This recognition highlights the Bank's continued focus on building a supportive, engaging and rewarding workplace culture.

Youth Outreach & Employer Branding

During the year, the Bank actively engaged with students and graduates through participation in job fairs and university outreach programs across a wide range of leading academic institutions nationwide. Through these initiatives, Meezan Bank strengthened its employer brand, promoted career opportunities in Islamic banking and supported the development of a sustainable talent pipeline.



Meezan Bank participating in the Job Fair at Mohammad Ali Jinnah University (MAJU), Karachi.

Learning & Organizational Development

In 2025, a total of 17,000+ employees participated in various developmental programs through a blend of Virtual Instructor-Led Trainings (VILTs), Learning Management System (LMS) and in-person sessions.

378 Regulatory And Compliance Trainings
7,030 Participants

295 Islamic Banking Sessions
13,500+ Participants

17,000+
Staff Trained via VILTs, LMS & In-person Sessions

Empowering Frontline Managers

- Branch Manager Development Program (BMDP): A 5-day program for 114 Branch Managers in 2025, covering leadership and business insights

Induction programs

- 59 Induction sessions for 3200+ participants

Islamic Finance and Specialized Training

- 295 Islamic Banking Sessions covering 13,500+ employees, including Deposit and Asset Refresher programs
- Certifications in Islamic Banking Level III and AAOFI Shariah Standards for Senior Executives

Diversity and Inclusion Training

- 16,000+ employees trained in Banking on Equality, PWD sensitization and Gender Sensitivity
- Inclusive onboarding of PWDs with sign language interpreters and leadership training
- Cancer Awareness sessions benefitting 400+ female employees

Specialized Training Programs

- 10+ sessions of Leadership Programs for Managers
- 250+ in-house trainers attended the "Train the Trainer" initiative to strengthen internal training capabilities

Compliance and Governance Training

- 352 AML/CFT sessions for 6,900+ employees
- 26 sessions covering training on Sanction Screening & Firco Compliance Link and Trade-Based Money Laundering

Shariah Compliance

Shariah compliance is an integral part of Meezan Bank's operations and the Bank maintains a zero-tolerance policy in this area. To ensure Shariah compliance in all its products, services and processes, the Bank operates a dedicated Shariah Compliance Department (SCD), established in 2005. The department works under the guidance and direct supervision of the Bank's Shariah Board (SB) to facilitate product research and development, conduct Shariah-compliance reviews, provide internal and external training, while also serving as the secretariat to the Shariah Board.



Meezan Bank's team leading an Islamic banking and finance awareness seminar to promote Shariah-compliant financial solutions.

Secretariat to the Shariah Board

During 2025, the SCD organized four meetings of the Shariah Board at regular intervals to obtain timely approvals of proposals, manuals, process flows and contracts. The department also acts as a liaison between management and the Shariah Board by reviewing submissions from business and support units of the Bank, ensuring alignment with Shariah guidelines. In addition, the SCD also reviews the monthly profit calculation on deposit pools and their distribution to depositors.

Product Support & Research

The SCD provides end-to-end Shariah support to all business functions, from the initiation of proposals to the structuring and execution of solutions. Through Shariah-related research, interdepartmental coordination and customer engagement, the department facilitates the enhancement of existing products, identification of emerging opportunities and timely response to evolving customer needs.

Shariah Compliance Review

Shariah compliance reviews are conducted on a continuous basis to ensure that all internal and external activities of the Bank remain compliant to Shariah rules. All financing cases are periodically reviewed to monitor adherence with Shariah guidelines. Moreover, industry visits and random checks help identify gaps and strengthen controls. During the year, the SCD reviewed 4,600 business proposals and conducted over 420 customer and industry visits. It also reviewed 21 investment banking deals including Sukuk, project finance and syndicate financing. Additionally, the SCD conducted Shariah review of 212 branches and 25 departments/units of the Bank during the year.

Scope of Shariah Compliance Review

The Bank ensures compliance to Shariah guidelines in all areas of business and operations, including the following:

Corporate Banking	Fresh Proposals, Renewals, Enhancements, Structured Transactions
SME/Commercial/Agri Finance	Fresh Proposals, Renewals, Enhancements, Structured Transactions
Ancillary Documents	Letter of Guarantees, MoUs, Security Agreements, NOCs, Procurement Agreements, Vendor Agreements, Service Agreements
Investment Banking	Term Sheets, Shariah Structure, Legal Agreements, Post Transaction Review
Treasury	Placement of Funds, Acceptance of Funds, International Placements, Forex Transactions, Alternate to Bill Discounting Transactions
Branch Assessment	Branch Environment and understanding of employees
Marketing Promotions	Bank's Product Promotions, Social Media Posts, Print and Electronic Media Ads, Sponsorship Proposals, Enlistment of Charitable Institutions
Other Head Office Departments	Policies, MoUs, Legal Agreements, Understanding and application of Shariah guidelines

Internal and External Training

In collaboration with the Learning & Development function, the SCD conducts structured training and awareness programs to strengthen Islamic banking knowledge among employees, customers and the public. Programs include orientations, refreshers and specialized courses for staff, based on Training Need Analysis. The Bank also collaborates with leading educational institutes such as IBA-Centre for Excellence in Islamic Finance (CEIF) to promote professional certifications. Major programs include the Certified Shariah Auditor AAOFI certification and the Certified Islamic Finance Reporting and Auditing course. During the year, SCD conducted 330 sessions and trained around 16,200 employees.

Contributions Towards the Islamic Banking Industry of Pakistan

The Bank regularly acts as a joint financial advisor for the issuance of GoP Sukuk to help address the liquidity management needs of the Islamic banking industry. During the year, the Bank supported the issuance of Sukuk worth nearly Rs 2.1 trillion, including the country's first GoP Ijarah Sovereign Green Sukuk auctioned through the Pakistan Stock Exchange.

Supported

~ Rs 2.1 Tr

Sukuk Issuance

Shariah Audit

Meezan Bank conducts its operations in line with Shariah principles, supported by an independent Shariah Audit Department that ensures adherence to the directives and guidance issued by the Bank's Shariah Board, Resident Shariah Board Member and the State Bank of Pakistan.

The department comprises of highly qualified and diverse team, including AAOIFI-certified Shariah Advisors, Chartered Accountants, Lawyers, Economists, Certified Credit Analysts from Moody's and Shariah scholars. This diverse expertise enables comprehensive oversight of both financial and Shariah-related matters, enabling the team to navigate the complexities of Islamic banking with precision and insight.

Meezan Bank's commitment to Shariah compliance has received international recognition. The Global Islamic Finance Awards (GIFA), United Kingdom, has honoured the Bank with the prestigious 'Shariah Auditor of the Year' award for eight consecutive years and the 'Shariah Authenticity Award' ten times. The department's practices have also been recognized and reviewed by globally renowned organizations, including AAOIFI and KPMG.

In line with its commitment to innovation and excellence, the Bank has implemented e-Shariah Audit, a robust in-house platform that has enabled near end-to-end automation of the Shariah audit lifecycle, including audit planning, execution, quality review and the issuance of Shariah audit reports.

In 2025, the department conducted 986 audits across branches, area and regional offices, financing hubs (Corporate, Consumer and Trade Hubs) and Head Office departments, ensuring alignment with the guidelines set by the SBP and the Shariah Board.

Additionally, surprise Re-Audits and structured Online Reviews were undertaken as part of the continuous assurance framework, further strengthening real-time oversight and controls.



Information Technology

During 2025, the IT department continued to support the Bank's strategic objectives by strengthening digital capabilities, ensuring operational resilience and delivering secure, scalable technology platforms that supported business growth and improved customer experience. Key achievements in 2025 included:

Digital Enablement

Enhanced digital banking platforms to improve performance and availability, resulting in increased digital adoption and transaction volumes.

Strengthened API and integration capabilities to accelerate product delivery and ecosystem connectivity.

Core & Enterprise Systems

Ongoing modernization of core banking and enterprise systems along with targeted upgrades improved scalability, resilience, and processing efficiency.

Infrastructure & Resilience

Expanded capacity and automation to improve infrastructure stability.

Strengthened disaster recovery capabilities through business continuity and DR drills.

Governance & Efficiency

Maintained strong IT governance, service management and vendor oversight, which resulted in better resource utilization and service quality.

In 2026, the Bank will focus on advancing digital and automation initiatives, modernizing critical systems, strengthening cybersecurity and fraud prevention, expanding cloud adoption and DevSecOps practices. It will also enhance data & AI capabilities and invest in technology talent to support the Bank's continued growth.

Information and Cyber Security

Meezan Bank places the highest priority on cybersecurity and continuously strengthens the protection of customer data and information assets against evolving threats. The Information Security function has deployed advanced preventive, detective and responsive capabilities across critical financial systems. These include Extended Detection and Response (XDR) and Managed Detection and Response (MDR) services, supported by a 24/7 centralized Security Operations Center (SOC) that ensures continuous monitoring and timely incident response. The Bank ensures compliance with globally recognized standards PCI DSS, PCI 3DS, PCI PIN and certifications under international information security standards with governance frameworks aligned with SBP guidelines and the ISO 27000 family.

Cyber security governance is reinforced through close coordination among Information Technology, Information Security, Internal Audit, Compliance and Risk Management functions. The Bank's state-of-the-art data center, certified under ISO 27001 and rated DCOS-3 by EPI, supports secure and resilient operations. The facility is protected through advanced security controls, including next-generation firewalls, intrusion detection and prevention systems, anti-malware solutions, encryption mechanisms, and Data Loss Prevention (DLP) technologies to prevent unauthorized data leakage. The CTM360 third-party solution further enhances digital risk protection through improved threat visibility and strengthened incident response capabilities.

Furthermore, Meezan Bank was part of the organizing committee for the first-ever industry-wide cyber drill exercise, led by the SBP and PBA. Meezan Bank, along with 32 banks, actively participated in the exercise to strengthen collective cyber resilience across the financial sector. These exercises enhance preparedness, test incident response capabilities, improve inter-bank coordination and strengthen decision-making under real-time cyber crisis scenarios.

“

Did You Know?

In 2025, Pakistan's Islamic capital market showed strong growth and resilience, reflecting sustained investor confidence in Shariah-compliant investments. Trading activity in Shariah-compliant stocks remained significant, with total traded volume reaching approximately 107.08 billion shares which is around 54% of the total ready market volume, while the total value traded amounted to Rs 6.52 trillion, representing approximately 71% of the total ready market value at the Pakistan Stock Exchange (PSX).

”

Key Figures at a Glance

	2025	2024	2023	2022	2021	2020
Profit and Loss Account						
Return on financing, investments and placements	420,462	494,296	431,722	232,121	110,073	106,589
Return on deposits and other dues expensed	167,990	207,257	205,293	110,417	41,152	41,740
Net Spread earned	252,472	287,039	226,429	121,704	68,921	64,849
Fee, commission, forex and other income	29,631	23,358	21,808	18,170	13,351	8,765
Gain / (loss) on assets - net and dividend income	3,002	5,520	299	933	1,541	1,307
Total income	285,104	315,917	248,536	140,807	83,813	74,921
Operating and other expenses	86,800	84,611	71,788	48,245	35,324	29,775
Profit before Provisions	198,304	231,306	176,748	92,562	48,489	45,146
Provisions / (reversals) and write offs - net	3,886	9,221	7,340	4,177	993	8,210
Profit before Taxation	194,418	222,085	169,408	88,385	47,496	36,936
Taxation	105,377	120,577	84,932	43,378	19,141	14,770
Profit after Taxation	89,041	101,508	84,476	45,007	28,355	22,166
Statement of Financial Position						
Islamic Financing and Related Assets - Gross	1,686,267	1,556,362	992,027	1,018,102	777,295	531,588
Total Assets	4,806,561	3,902,073	3,012,109	2,577,397	1,902,971	1,521,560
Total Deposits	3,302,842	2,584,871	2,217,474	1,658,490	1,455,886	1,254,431
Share Capital	18,006	17,947	17,913	17,896	16,269	14,147
Sub-ordinated sukuk	16,990	20,990	20,990	20,990	20,990	18,000
Total Shareholders Equity	279,257	246,984	184,908	115,321	86,558	69,155
Market Capitalization	800,130	434,273	289,037	178,139	218,188	147,754
Number of Staff	20,391	18,653	17,186	15,380	14,007	12,423
Number of Branches	1,105	1,051	1,004	962	902	815
Ratios						
Book Value (Rs)	155.10	137.62	103.23	64.44	53.2	48.9
Market Value per Share (Rs)	444.38	241.97	161.36	99.54	134.1	104.4
Price to Book Value Ratio	2.87	1.76	1.56	1.54	2.5	2.1
Cash Dividend (%)	280	280	200	85	60	60
Stock Dividend (%)	-	-	-	10	15	10
Right Shares at par (%)	-	-	-	-	-	-
Price Earning Ratio	8.97	4.27	3.42	3.96	8.46	6.7
Basic Earning per Share (Rs)	49.54	56.62	47.18	25.15	15.84	12.39
Net Spread to Gross Return (%)	60.05	58.07	52.45	52.43	62.6	60.8
Profit Before Tax to Gross Income (%)	42.91	42.45	37.33	35.18	38.0	31.7
Profit After Tax to Gross Income (%)	19.65	19.40	18.61	17.92	22.7	19
Operating & Other Expenses to Income before provisions (%)	30.45	26.78	28.88	34.26	42.2	39.7
Gross Financing / Advances to Deposit Ratio-ADR (%)	51.06	60.21	44.74	61.4	53.4	42.4
Investment to Deposit Ratio - IDR (%)	78.62	72.36	70.91	77.4	42.6	34.6
Capital Adequacy Ratio (%)	19.20	20.35	22.39	18.42	17.8	17.8
Return on Average Assets (%)	2.04	2.94	3.02	2.01	1.7	1.7
Return on Average Equity (%)	33.84	47.01	56.27	44.59	36.4	34.6

(Comparative information has been reclassified / rearranged / restated for better presentation)

2019	2018	2017	2016	2015
94,270	48,625	36,427	31,027	32,893
47,731	20,457	15,684	13,239	15,181
46,539	28,168	20,743	17,788	17,712
9,396	6,887	5,622	4,102	3,617
(76)	575	2,002	1,622	971
55,859	35,630	28,367	23,512	22,300
25,522	19,670	16,832	14,787	13,313
30,337	15,960	11,535	8,725	8,987
4,186	1,168	1,283	(218)	535
26,151	14,792	10,252	8,943	8,452
10,919	5,830	3,939	3,381	3,429
15,232	8,962	6,313	5,562	5,023

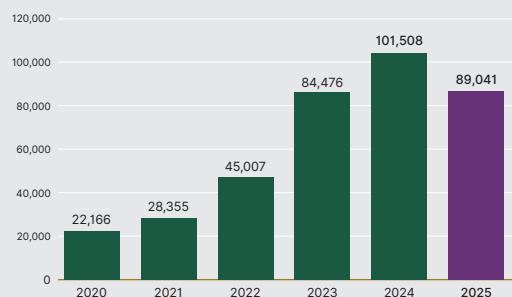
506,513	522,264	428,833	319,617	215,776
1,121,258	937,915	788,808	662,055	535,864
932,579	785,477	667,181	559,398	468,281
12,861	11,692	10,629	10,027	10,027
14,000	14,000	7,000	7,000	-
59,015	40,333	35,077	30,474	26,347
122,348	108,022	71,321	67,422	45,875
11,649	10,069	9,551	9,168	8,581
760	660	601	571	551

45.9	34.5	32.3	28.1	25.5
95.1	92.4	67.1	67.2	45.7
2.1	2.7	2.1	2.4	1.8
50	35	30	30	30
10	10	-	-	-
-	-	6	-	-
8.8	13.3	12.1	12.3	9.1
8.51	5.01	3.53	3.11	2.81
49.4	57.9	56.9	57.3	53.9
25.2	26.4	23.3	24.3	22.6
14.7	16	14.3	15.1	13.4
45.7	55.2	59.3	62.9	59.7

54.3	66.5	64.3	57.1	46.1
24.2	15.8	17.9	23.3	31.2
16.6	14.6	12.9	12.9	11
1.5	1	0.9	0.9	1
30.7	23.8	19.3	19.6	20

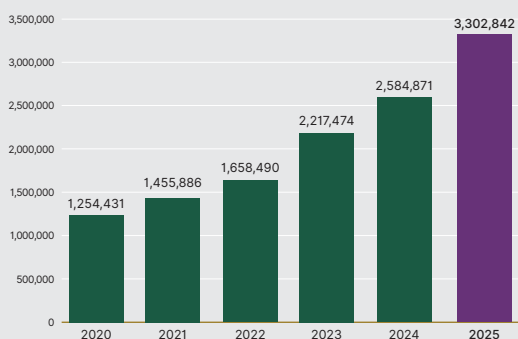
Profit After Taxation

Rupees in Million



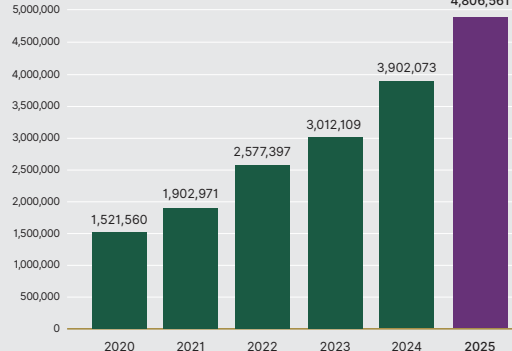
Total Deposits

Rupees in Million



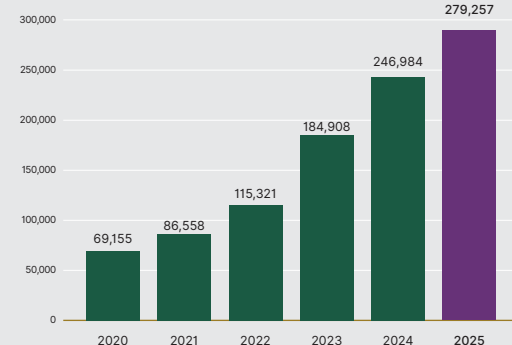
Total Assets

Rupees in Million



Total Shareholders Equity

Rupees in Million



Six Years' Horizontal Analysis

Statement of Financial Position / Profit & Loss Account

Rupees in Million

Statement of Financial Position

	2025	25 Vs 24	2024	24 Vs 23	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19
		%		%		%		%		%		%
Assets												
Cash and balances with treasury banks	330,543	27	260,734	7	242,612	106	117,743	(31)	170,501	25	136,243	48
Balances with other banks	15,388	15	13,425	17	11,452	(16)	13,676	(17)	16,420	(16)	19,446	27
Due from financial institutions - net	12,325	(65)	34,964	-	34,964	-	34,964	(85)	238,402	(30)	342,069	53
Investments - net	2,596,837	39	1,870,536	19	1,572,388	23	1,283,210	107	620,132	43	434,208	92
Islamic financing and related assets - net	1,640,935	8	1,514,756	58	961,673	(3)	995,508	31	758,086	48	512,532	4
Property, equipment & right of use assets	71,815	5	68,078	16	58,618	45	40,427	19	33,958	44	23,568	1
Intangible assets	3,430	18	2,897	28	2,272	23	1,844	23	1,496	39	1,080	38
Deferred tax assets	-	-	-	-	-	(100)	4,646	2,555	175	(55)	390	100
Other assets - net	135,288	(1)	136,683	7	128,130	50	85,379	34	63,801	23	52,024	12
	4,806,561	23	3,902,073	30	3,012,109	17	2,577,397	35	1,902,971	25	1,521,560	36
Liabilities												
Bills payable	73,768	(34)	112,605	183	39,724	(1)	40,175	11	36,141	36	26,494	54
Due to financial institutions	887,048	23	722,286	91	377,495	(34)	573,326	160	220,414	133	94,501	125
Deposits and other accounts	3,302,842	28	2,584,871	17	2,217,474	34	1,658,490	14	1,455,886	16	1,254,431	35
Sub-ordinated Sukuk	16,990	(19)	20,990	-	20,990	-	20,990	-	20,990	17	18,000	29
Deferred tax liabilities	1,655	(88)	14,211	237	4,213	100	-	-	-	-	-	(100)
Other liabilities including lease liabilities	245,001	22	200,124	20	167,305	(1)	169,095	104	82,982	41	58,979	10
	4,527,304	24	3,655,089	29	2,827,201	15	2,462,076	36	1,816,413	25	1,452,405	37
Net Assets	279,257	13	246,984	34	184,908	60	115,321	33	86,558	25	69,155	17
Represented by:												
Share capital	18,006	0	17,947	-	17,913	-	17,896	10	16,269	15	14,147	10
Reserves	57,960	21	48,002	29	37,082	32	28,188	20	23,393	15	20,424	12
Unappropriated profit	188,911	19	158,893	34	118,992	70	69,900	63	42,832	48	29,022	56
Surplus / (deficit) on revaluation of assets - net of tax	14,380	(35)	22,141	103	10,921	1,747	(663)	(116)	4,064	(27)	5,562	(41)
	279,257	13	246,984	34	184,908	60	115,321	33	86,558	25	69,155	17

Profit & Loss Account

	2025	25 Vs 24	2024	24 Vs 23	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19
		%		%		%		%		%		%
Return on financing, investments and placements	420,462	(15)	494,296	14	431,722	86	232,121	111	110,073	3	106,589	13
Return on deposits and other dues expensed	(167,990)	(19)	(207,257)	1	(205,293)	86	(110,417)	168	(41,152)	(1)	(41,740)	(13)
Net spread earned	252,472	(12)	287,039	27	226,429	86	121,704	77	68,921	6	64,849	39
Fee, commission, forex and other income	29,631	27	23,358	7	21,808	20	18,170	36	13,351	52	8,765	(7)
Gain / (loss) on assets - net and dividend income	3,002	(46)	5,520	1,747	299	(68)	933	(40)	1,541	18	1,307	1,820
Total income	285,104	(10)	315,917	27	248,536	77	140,807	68	83,813	12	74,921	34
Operating and other expenses	(86,800)	3	(84,611)	18	(71,788)	49	(48,245)	37	(35,324)	19	(29,775)	17
Profit before Provisions	198,304	(14)	231,306	31	176,748	91	92,562	91	48,489	7	45,146	49
Provisions and write offs - net	(3,886)	(58)	(9,221)	26	(7,340)	76	(4,177)	321	(993)	(88)	(8,210)	96
Profit before taxation	194,418	(12)	222,085	31	169,408	92	88,385	86	47,496	29	36,936	41
Taxation	(105,377)	(13)	(120,577)	42	(84,932)	96	(43,378)	127	(19,141)	30	(14,770)	35
Profit after taxation	89,041	(12)	101,508	20	84,476	88	45,007	59	28,355	28	22,166	46

(Comparative information has been reclassified / rearranged for better presentation)

Six Years' Vertical Analysis

Statement of Financial Position / Profit & Loss Account

Rupees in Million

Statement of Financial Position

Assets	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
Cash and balances with treasury banks	330,543	7	260,734	7	242,612	8	117,743	4	170,501	9	136,243	9
Balances with other banks	15,388	-	13,425	-	11,452	1	13,676	1	16,420	1	19,446	1
Due from financial institutions - net	12,325	-	34,964	1	34,964	1	34,964	1	238,402	12	342,069	22
Investments - net	2,596,837	55	1,870,536	48	1,572,388	52	1,283,210	50	620,132	33	434,208	29
Islamic financing and related assets - net	1,640,935	34	1,514,756	39	961,673	32	995,508	39	758,086	40	512,532	34
Property, equipment & right of use assets	71,815	1	68,078	2	58,618	2	40,427	2	33,958	2	23,568	2
Intangible assets	3,430	-	2,897	-	2,272	-	1,844	-	1,496	-	1,080	-
Deferred tax assets	-	-	-	-	-	-	4,646	-	175	-	390	-
Other assets - net	135,288	3	136,683	3	128,130	4	85,379	3	63,801	3	52,024	3
Total Assets	4,806,561	100	3,902,073	100	3,012,109	100	2,577,397	100	1,902,971	100	1,521,560	100
Liabilities												
Bills payable	73,768	2	112,605	3	39,724	1	40,175	2	36,141	2	26,494	2
Due to financial institutions	887,048	18	722,286	19	377,495	12	573,326	22	220,414	12	94,501	6
Deposits and other accounts	3,302,842	69	2,584,871	66	2,217,474	74	1,658,490	64	1,455,886	76	1,254,431	82
Sub-ordinated Sukuk	16,990	-	20,990	1	20,990	1	20,990	1	20,990	1	18,000	1
Deferred tax liabilities	1,655	-	14,211	-	4,213	-	-	-	-	-	-	-
Other liabilities including lease liabilities	245,001	5	200,124	5	167,305	6	169,095	7	82,982	4	58,979	4
	4,527,304	94	3,655,089	94	2,827,201	94	2,462,076	96	1,816,413	95	1,452,405	95
Net Assets	279,257	6	246,984	6	184,908	6	115,321	4	86,558	5	69,155	5
Represented by:												
Share capital	18,006	-	17,947	-	17,913	1	17,896	1	16,269	1	14,147	1
Reserves	57,960	2	48,002	1	37,082	1	28,188	1	23,393	2	20,424	2
Unappropriated profit	188,911	4	158,893	4	118,992	4	69,900	2	42,832	2	29,022	2
Surplus / (deficit) on revaluation of assets - net of tax	14,380	-	22,141	1	10,921	-	(663)	-	4,064	-	5,562	-
	279,257	6	246,984	6	184,908	6	115,321	4	86,558	5	69,155	5

Profit & Loss Account

	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
Return on financing, investments and placements	420,462	93	494,296	94	431,722	95	232,121	93	110,073	88	106,589	91
Return on deposits and other dues expensed	(167,990)	(37)	(207,257)	(40)	(205,293)	(45)	(110,417)	(44)	(41,152)	(33)	(41,740)	(36)
Net spread earned	252,472	56	287,039	55	226,429	50	121,704	49	68,921	55	64,849	55
Fee, commission, forex and other income	29,631	7	23,358	5	21,808	5	18,170	7	13,351	11	8,765	8
Gain / (loss) on assets - net and dividend income	3,002	-	5,520	1	299	-	933	-	1,541	1	1,307	1
Total income	285,104	63	315,917	61	248,536	55	140,807	56	83,813	67	74,921	64
Operating and other expenses	(86,800)	(19)	(84,611)	(17)	(71,788)	(16)	(48,245)	(19)	(35,324)	(28)	(29,775)	(25)
Profit before Provisions	198,304	44	231,306	44	176,748	39	92,562	37	48,489	39	45,146	39
Provisions and write offs - net	(3,886)	(1)	(9,221)	(1)	(7,340)	(1)	(4,177)	(2)	(993)	(1)	(8,210)	(7)
Profit before taxation	194,418	43	222,085	43	169,408	38	88,385	35	47,496	38	36,936	32
Taxation	(105,377)	(23)	(120,577)	(23)	(84,932)	(19)	(43,378)	(17)	(19,141)	(15)	(14,770)	(13)
Profit after taxation	89,041	20	101,508	20	84,476	19	45,007	18	28,355	23	22,166	19

(Comparative information has been reclassified / rearranged for better presentation)

Review of Six Years' Performance

The summary of financial performance of Meezan Bank Limited over the last six years (2020 – 2025) is as under:

Statement of Financial Position

Assets

In 2025, Meezan Bank achieved a significant milestone with total assets crossing the Rs 4 trillion landmark, reaching Rs 4.81 trillion at the year-end. This is a substantial increase from Rs 1.52 trillion in 2020. This growth was primarily driven by a strong rise in deposits. The liquidity generated from these deposits was strategically allocated towards investments and financing activities. Similarly, the Bank's investment portfolio also surpassed Rs 2 trillion during the year 2025, expanding to Rs 2.60 trillion from Rs 434 billion in 2020, reflecting a 6-fold increase. The most major component of this was the Bank's investments in Government of Pakistan (GoP) Ijarah Sukuk which reached Rs 2.2 trillion at the year-end. The regular resumption of GoP Ijarah Sukuk auctions has helped mitigate the liquidity deployment challenges traditionally faced by the Islamic Banking sector. This has allowed the Bank to reduce its reliance on inter-bank secured placements, which have decreased to Rs 12 billion (approximately 0.3% of total assets as of December 2025), a sharp contrast to Rs 342 billion, or 22% of total assets, in 2020.

The Bank's net financing portfolio closed at Rs 1.64 trillion, accounting for 34% of total assets, compared to Rs 513 billion in 2020, reflecting a compound annual growth rate (CAGR) of 26% over this period. Throughout this period, the Bank remained committed to deploying liquidity across diverse sectors of the economy. The corporate segment was the primary driver of this growth, expanding to Rs 1.24 trillion, or 74% of the total financing book. Despite operating in a consistently challenging economic landscape, the Bank took a balanced approach to growth, ensuring that all risk acceptance criteria were met. With an infection ratio of 1.8%, one of the lowest in the industry, the Bank's high-quality financing portfolio underscores its strong risk management practices.

The Bank's fixed assets, including right-of-use assets under IFRS 16, increased to Rs 72 billion in 2025 from Rs 24 billion in 2020. This growth is primarily attributed to the Bank's significant investment in expanding its branch network, which grew to 1,105 branches in 2025, up from 815 branches in 2020, marking an increase of 290 branches over the past six years. This strategic branch expansion has delivered favourable outcomes, reflected in the significant growth in deposits and profits across successive periods. Furthermore, the Bank's substantial investments in technological infrastructure and digital channels have been instrumental in enhancing its fixed and intangible assets, further contributing to overall growth.

Liabilities

The Bank's deposits crossed the milestone of Rs 3 trillion during the year 2025, reaching Rs 3.30 trillion as at the year-end reflecting a significant increase of 2.6 times from Rs 1.25 trillion in 2020, representing a compound annual growth rate (CAGR) of 21% over this period. Current Account deposits experienced remarkable growth, rising by Rs 1.08 trillion or 3.15 times, reaching Rs 1.59 trillion compared to Rs 505 billion in 2020. As a result, the Current Account share of total deposits increased to 48% in 2025, up from 40% in 2020. Savings Account deposits also saw strong growth, rising by Rs 973 billion from Rs 454 billion in December 2020, reflecting a 3.1-fold increase. Combined, Current and Savings Account (CASA) deposits crossed the Rs 3 trillion mark in 2025, reaching Rs 3.02 trillion by year-end. In contrast, fixed deposits remained roughly stable, slightly decreasing by Rs 9 billion (3%), from Rs 296 billion in 2020 to Rs 287 billion in 2025. This shift aligns with the Bank's strategy of focusing on low-cost deposits, supporting its branch expansion and deposit mobilization efforts—key drivers of profitability. The Bank attributes this success to the unwavering commitment of its staff in delivering high standards of customer service, alongside the seamless digital banking experience offered to customers.

The launch of SBP's Shariah Compliant Open Market Operation (OMO) and Standing Ceiling Facility at the beginning of 2022 allowed the Bank to manage its daily liquidity more effectively. By the end of 2025, the Bank had borrowed a total of Rs 30 billion from SBP under the SBP OMO. Additionally, it secured Rs 533 billion through various other SBP-subsidized refinancing programmes aimed at targeted businesses and export-focused industries. The total outstanding amount owed to financial institutions stood at Rs 887 billion, a significant increase from Rs 95 billion in 2020.

To strengthen the Bank's solid business operations while maintaining a strong regulatory capital base, the Bank successfully issued Subordinated Tier II Sukuk and Additional Tier I Sukuk to enhance its capital position. As of December 31, 2025, the total Subordinated Sukuk amounted to Rs 17 billion, consisting of Rs 7 billion in Additional Tier I Sukuk and Rs 10 billion in Subordinated Tier II Sukuk. VIS Credit Company Limited has rated the Bank's Tier I Sukuk at AA+ (Double A Plus) and Tier II Sukuk at AAA (Triple A). As a result, despite the significant growth in total assets from 2020 to 2025, the Capital Adequacy Ratio remained robust at 19.20% in 2025, well above the minimum requirement of 11.5%.

Equity

The Bank's equity grew to Rs 279 billion, up from Rs 69 billion in 2020, marking a significant increase over the past six years. The Bank remains dedicated to maintaining a careful balance between depositors' liabilities and shareholders' equity, ensuring an optimal capital-to-debt ratio. Additionally, the Bank has maintained a consistent track record of uninterrupted dividend payouts since its listing on the Stock Exchange, demonstrating its ongoing commitment to delivering value to shareholders over the long term.

Profit and Loss Account

The Bank has achieved exceptional growth in Profit after Tax, increasing four-fold from Rs 22 billion in 2020 to Rs 89 billion in 2025. This growth aligns with the expansion of the Bank's asset base, a significant rise in current and savings accounts, and an increase on average in the State Bank of Pakistan's (SBP) policy rate over this period. As a result, the Bank's net spread surged to Rs 252 billion, up from Rs 65 billion in 2020. The Bank also saw impressive growth in fee, commission, foreign exchange, and other income, rising from Rs 9 billion in 2020 to Rs 30 billion in 2025. This increase in fee income is primarily driven by the Bank's growing trade business, which exceeded Rs 2.9 trillion during the year

2025. Additionally, the Bank's significant expansion in ADC services played a key role in this growth, supported by a notable rise in its customer base.

Due to the expansion of its branch network and significant investments in IT infrastructure to support the increasing volume of banking transactions, the Bank experienced a rise in operating expenses, which reached Rs 87 billion in 2025, up from Rs 30 billion in 2020. This rise was further influenced by factors such as inflation and the devaluation of the rupee. Currently, the Bank employs more than 20,000 staff nationwide, a notable increase from the 12,423 employees at the end of 2020, thus contributing to greater employment opportunities. Despite the rise in operating costs, the Bank's income efficiency ratio improved to 30% in 2025, compared to 46% in 2020, demonstrating its commitment to enhancing operational efficiency and driving sustainable growth.

Furthermore, the Bank's direct contribution to the national exchequer saw a significant increase, rising seven-fold to Rs 105 billion in 2025, up from Rs 15 billion in 2020. This growth is primarily due to higher profitability and increased tax rates.

Financial Analysis

Statement of Financial Position

The Bank's total assets saw a robust growth of 23%, rising to Rs 4.8 trillion in 2025 from Rs 3.9 trillion in 2024. The investment portfolio expanded to Rs 2.6 trillion, up from Rs 1.9 trillion in the prior year, primarily due to a notable increase in holdings of Federal Government Securities – GoP Ijarah Sukuk, which now total Rs 2.2 trillion, compared to Rs 1.7 trillion in 2024.

The Gross Financing portfolio saw growth in 2025, reaching Rs 1.7 trillion, up from Rs 1.6 trillion in 2024. As a result, the Bank's Gross Advances to Deposits Ratio (ADR) remains above 50%. The financing portfolio remains well-diversified, catering to a wide range of clients, including large corporations, small and medium-sized enterprises, and retail consumers. By year-end, the Bank held a market share of above 11% of the total gross financing in the banking sector. The portfolio maintained strong quality, with a non-performing financing ratio consistently below 2%, one of the lowest in the industry. The Bank also held provisions of Rs 45 billion against a non-performing financing portfolio of Rs 31 billion, resulting in a coverage ratio of 146% as of December 2025.

In 2025, the Bank's deposits reached Rs 3.3 trillion, representing approximately 9% of the total deposits within the banking industry. Continuing its performance, the Bank's deposit portfolio grew by 28%, exceeding the 24% growth in the overall banking sector's deposits. A substantial portion of this growth was driven by CASA deposits, which increased by 25% and collectively make up 91% of the deposit mix. Current Account (CA) and Savings Account (SA) deposits surpassed Rs 3 trillion, closing the year at Rs 3.02 trillion. As a preferred retail bank, Meezan Bank's deposits reflect a high degree of granularity, with individual depositors representing 71% of the total deposit portfolio, highlighting the trust and preference customers place in the Bank for their banking needs.

During the year, the Bank expanded its footprint by opening 54 new branches, bringing the total to 1,105 branches across 363 cities nationwide. This robust physical network is further supported by over 1,300 biometric-enabled, card-less ATMs. Alongside its physical presence, the Bank has strengthened its digital capabilities, as demonstrated by the continued growth

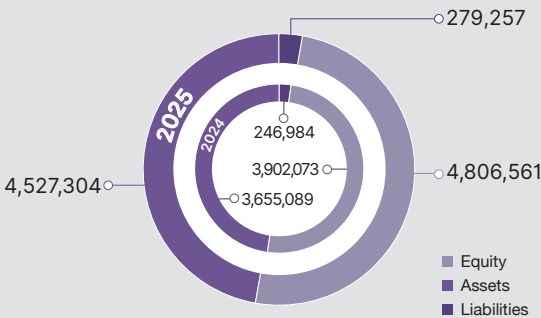
in debit card usage and the increase in Inter Bank Fund Transfers (IBFT) and Utility Bill Payments (UBPS) transactions.

The Bank's equity grew to Rs 279 billion, up from Rs 247 billion the previous year. The Board has approved a final cash dividend of Rs 7.00 per share (70%), bringing the total dividend payout for the year to Rs 28.00 per share (280%). This includes the interim cash dividend of Rs 21.00 per share (210%) paid during the year.

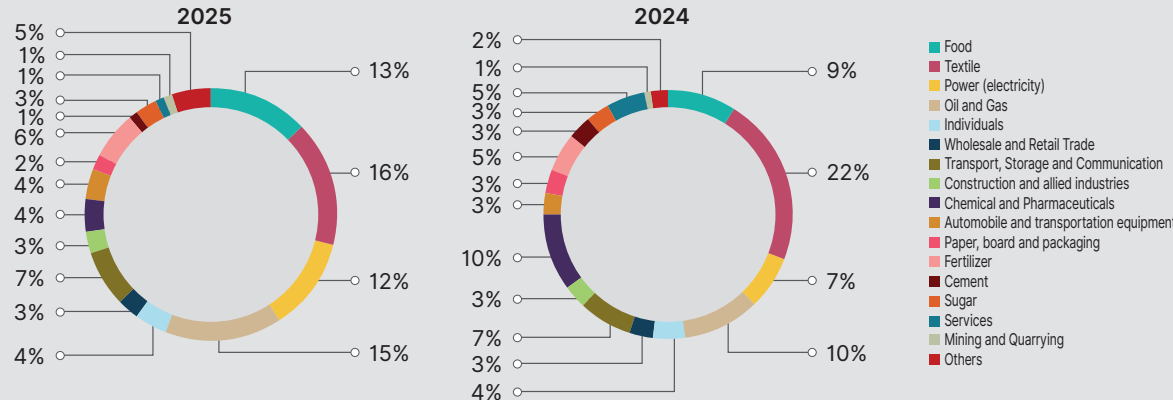
The Bank upholds a robust capital position, with a Capital Adequacy Ratio of 19.20%, significantly exceeding the minimum regulatory requirement of 11.5%.

Statement of Financial Position

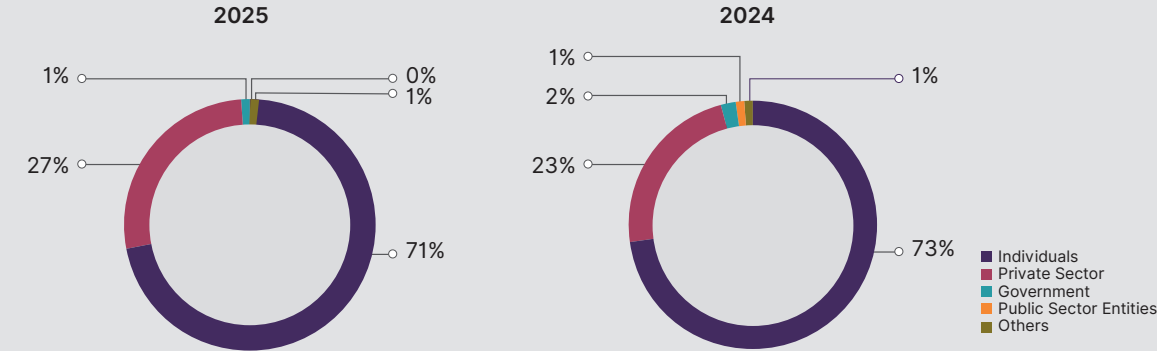
Rupees in Million



Islamic Financing and Related Assets (Gross)



Deposits



Profit And Loss Account

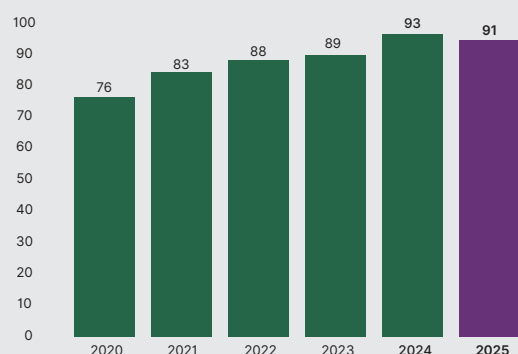
The Bank reported a Profit after Tax of Rs 89.0 billion, reflecting a 12% decrease from Rs 101.5 billion in the prior year. The basic Earnings Per Share decreased by 13%, reaching Rs 49.54 per share, compared to Rs 56.62 per share in 2024.

The Bank's net spread decreased by 12%, primarily due to a substantially lower average policy rate prevailing throughout the year. This was however somewhat moderated by a corresponding decrease in return on deposits and other dues expensed. Fee, commission, and other income rose by 7% year-on-year. Overall, the Bank's non-funded income saw a growth of 13%, reaching Rs 33 billion, up from Rs 29 billion in 2024.

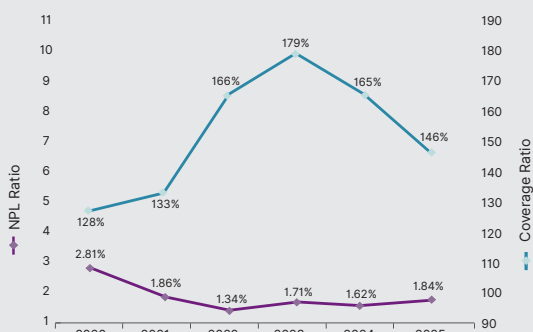
Operating and other expenses increased to Rs 86.8 billion, up from Rs 84.6 billion, primarily due to higher costs associated with the opening of 54 new branches and investments in IT infrastructure. The total tax charge for the year decreased to Rs 105.4 billion, compared to Rs 120.6 billion, driven by lower profitability.

CASA to Total Deposits

Year-wise trend in %

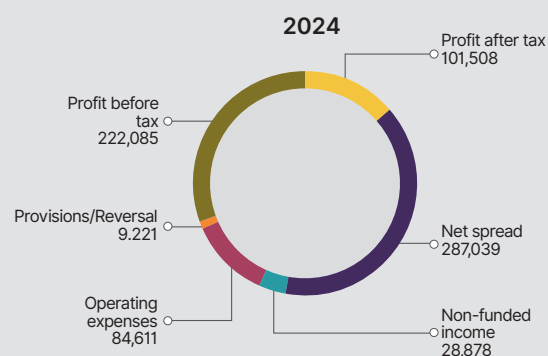
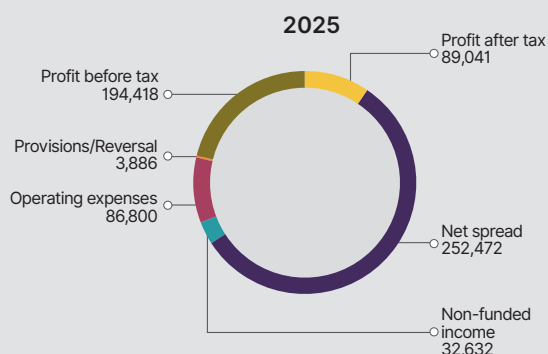


NPL and Coverage Ratios



Profit and Loss

Rupees in Million



DUPONT ANALYSIS

Description	2025	2024	2023	2022	2021	2020
Profit Margin - %	19.7%	19.4%	18.6%	17.9%	22.7%	19.0%
Asset Turnover	0.10	0.15	0.16	0.11	0.07	0.09
Equity Multiplier - Times	16.5	16.0	18.6	22.2	22.0	20.6
ROE	33.8%	47.0%	56.3%	44.6%	36.4%	34.6%

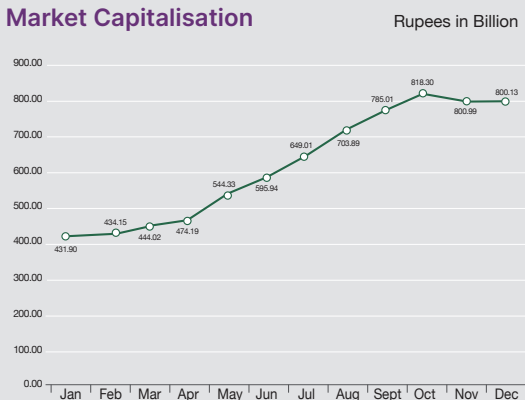
The Dupont analysis is a financial ratio based on the return on equity ratio that is used to analyze a company's ability to increase its return on equity.

Following are the main DuPont analysis highlights:

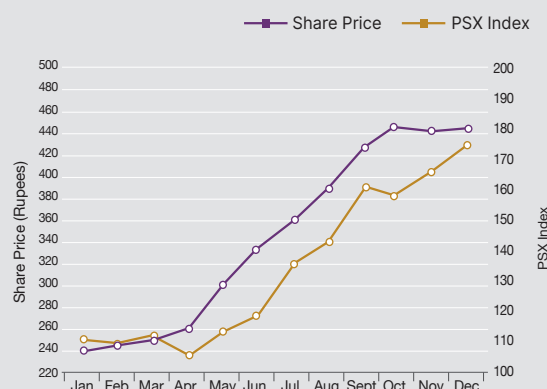
- The Bank's profit margin remains stable in 2025 compared to 2024.
- The asset turnover has decreased during the current year due to increase in total assets and decrease in profit after tax during the year.
- The equity multiplier is directly dependent on the Bank's equity in relation to total assets.
- The equity multiplier has remained stable during the year 2025 compared to 2024.

Market Statistics of Meezan Bank's Share during 2025

Market Capitalisation



Share Price Sensitivity



	Share Price			Daily average volume	Number of trading days	Market Capitalisation	
	High	Low	Closing			Share Capital	Value
	Rupees					Rupees in Million	
4th Qtr	490.00	410.00	444.38	1,629,784	65	18,006	800,130
3rd Qtr	438.00	332.10	435.98	1,366,879	65	18,006	785,006
2nd Qtr	336.88	236.60	332.05	1,537,208	59	17,947	595,944
1st Qtr	252.50	230.00	247.40	1,107,908	61	17,947	444,019

Below are the key factors that may influence the share price of the Bank:

- Bank's Performance
- Regulatory Changes specifically in Banking sector
- Changes in Macro Economic scenario of Pakistan
- Changes in Political Environment of Pakistan

Allocation of Income and Expenses to Remunerative Depositors' Pool

For The Year Ended December 31, 2025

	2025	2024
	Rupees in '000	
Income from financing activities	127,868,785	158,113,421
Income from investments	99,181,163	96,253,520
Income from placements with financial institutions	4,140,913	4,877,740
Other income attributable to pools	5,428,858	10,365,910
Total Income	236,619,719	269,610,591
Less: Directly attributable charges to pools including takaful (Note)	(3,499,710)	(1,899,525)
Less: Profit on assets allocated to IERS and other special pools	-	-
Less: Profit share allocated to bank's equity and other pools in Mudarabah pools	(57,911,865)	(50,140,358)
Gross distributable Income	175,208,144	217,570,708
Mudarib (Bank) share of profit before hiba	89,001,417	110,457,452
Less: Hiba from Mudarib (Bank) share	(15,169,303)	(25,562,228)
Net Mudarib (Bank) Share of profit	73,832,114	84,895,224
Rab-ul-Maal share of profit	101,376,030	132,675,484
Rab-ul-Maal share of profit is distributed as follows:		
Remunerative depositors' profit share in mudarabah pools	101,376,030	132,675,484

The Bank maintain following four remunerative general pools:

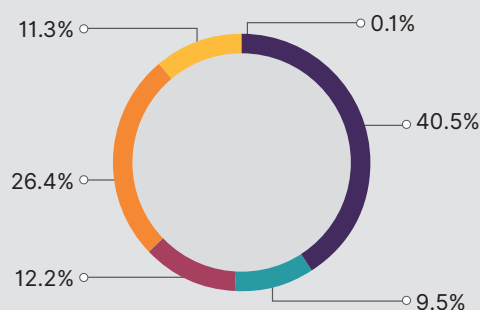
	Income earned	Profit share allocated to bank's equity and other pools in mudarabah pools	Mudarib share of profit	Hiba from Mudarib (Bank) share	Net Mudarib (Bank) Share of profit	Remunerative depositor's share in Mudarabah pool
	2025 Rupees in '000					
Rupee deposit pool	224,553,589	54,771,544	84,891,019	14,444,987	70,446,032	99,336,013
Dollar deposit pool	8,096,482	2,942,501	3,865,494	649,388	3,216,106	1,937,875
Pound deposit pool	325,546	127,992	177,802	46,681	131,121	66,433
Euro deposit pool	144,392	69,828	67,102	28,247	38,855	35,709
	<u>233,120,009</u>	<u>57,911,865</u>	<u>89,001,417</u>	<u>15,169,303</u>	<u>73,832,114</u>	<u>101,376,030</u>
	2024 Rupees in '000					
Rupee deposit pool	258,466,981	47,376,067	105,545,457	25,082,953	80,462,504	130,628,410
Dollar deposit pool	8,678,642	2,547,117	4,598,549	426,238	4,172,311	1,959,214
Pound deposit pool	366,933	125,773	217,047	35,288	181,759	59,401
Euro deposit pool	198,510	91,401	96,399	17,749	78,650	28,459
	<u>267,711,066</u>	<u>50,140,358</u>	<u>110,457,452</u>	<u>25,562,228</u>	<u>84,895,224</u>	<u>132,675,484</u>

Note: Administrative and operating expenses (including salaries and marketing costs) are paid by the Bank and not charged to the Depositors' pool as per the guidelines of Mudarabah pools.

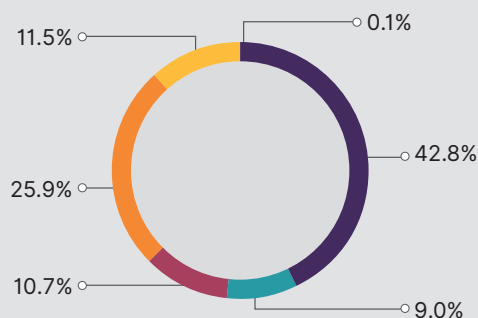
Statement of Value Added and Distributed

	2025 Rupees in '000	%	2024 Rupees in '000	%
Value Added				
Profit / return on Islamic financings, investments and placements-net of provision	416,576,566	100.5%	485,075,783	100.1%
Fee and commission income	22,695,552	5.5%	21,338,882	4.4%
Dividend income	2,014,703	0.5%	2,190,252	0.5%
Foreign exchange income	5,478,974	1.3%	829,592	0.1%
Other income and gain on securities - net	2,443,073	0.6%	4,519,220	0.9%
	449,208,868		513,953,729	
Administrative and other expenses excluding salaries, depreciation, amortisation and Workers Welfare Fund	(34,786,843)	(8.4%)	(29,292,118)	(6.0%)
	414,422,025	100%	484,661,611	100.0%
Value allocated as follows:				
To depositors / financial institutions Profit on deposits and other dues expensed	167,990,269	40.5%	207,257,493	42.8%
To employees Salaries, allowances & other benefits	39,265,029	9.5%	43,732,513	9.0%
To shareholders Cash Dividend	50,334,136	12.2%	51,995,169	10.7%
To Government Workers Welfare Fund	4,235,049	1.0%	4,666,190	1.0%
Income tax	105,376,979	25.4%	120,577,580	24.9%
	109,612,028	26.4%	125,243,770	25.9%
To Expansion Depreciation & Amortisation - owned assets	7,955,010	2.0%	6,601,548	1.3%
Retained in business	38,707,114	9.3%	49,512,355	10.2%
	46,662,124	11.3%	56,113,903	11.5%
To promote development and welfare of the society Donation and CSR related activities	558,439	0.1%	318,763	0.1%
	414,422,025	100.0%	484,661,611	100.0%

Statement of Value Added & Distributed 2025



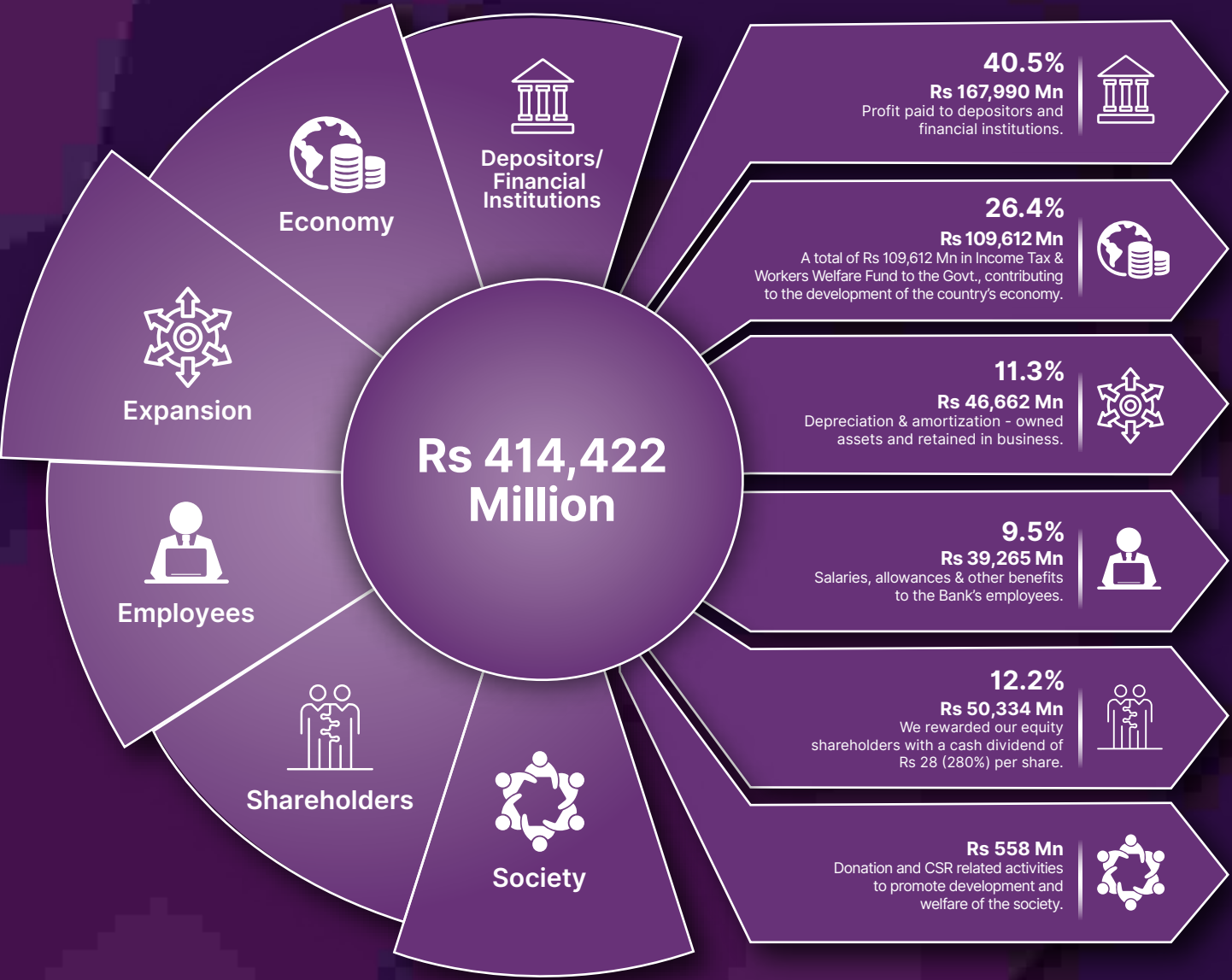
Statement of Value Added & Distributed 2024



■ To Depositors/Financial Institutions ■ To Employees ■ To Shareholders ■ To Government ■ To Expansion ■ To Society

How we Distribute the Value Created

In fulfilling our promise to our stakeholders, Meezan Bank distributes the value created in relevant and meaningful ways – and for some stakeholders, beyond financial means. Stakeholders receive intangible benefits ranging from employee upskilling programmes to diverse avenues of alternate Shariah-compliant investments & financings, in our effort to ‘Establish Islamic banking as banking of first choice...’



Statement of Inventory

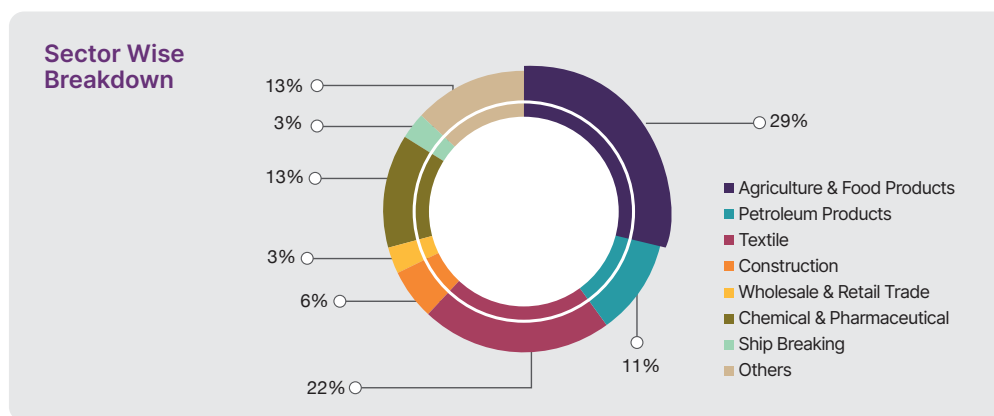
Meezan Bank provides financing through various sale-based modes including Murabaha, Musawamah, Istisna, Tijarah, Salam, etc. Under these modes, the Bank either purchases the goods or gets them manufactured. Meezan Bank being a premier Islamic bank, has a diversified portfolio, well spread amongst sectors such as Pharmaceutical, Agriculture, Textile and Ship-Breaking, etc. Furthermore, Meezan Bank is continuously exploring new and untapped sectors of the economy in order to enhance its portfolio.

Islamic banks have expertise in products based on real assets and are involved in the process of trading, renting and construction contracts using various Islamic modes of financing that are based on risk sharing, owning and handling of physical goods, and participation on profit and loss basis. It also demonstrates the exposure that the Bank takes in different sectors.

The goods lying unsold at the date of the financial statements are carried as inventory in the financial statements of the Bank. The sectorwise detail of inventory held by the Bank as at December 31, 2025 is as follows:

Sector	Nature of Inventory	2025 Rs in '000	2024 Rs in '000
Petroleum Products	Motor Gasoline (MOGAS), High Speed Diesel	7,610,532	47,206,635
Agriculture & Food Products	Corn, Sugar, Soybean, Maize, Canola, Rice (Grain, Paddy), Wheat, Syrups, Oil Cake, Edible Oil, Rape & Sunflower Seed, Flour, Egg Yolk	20,423,736	18,895,382
Textile	Cotton (Raw Cotton, Bales, Fabric, Yarn), Bed Sheets, Garments, Home Textile Products (Towels, Pillow Covers, etc), Acrylic Yarns, Synthetic Fiber, Gloves, Socks	15,551,400	8,178,399
Chemical & Pharmaceutical	Chemicals, Medicines, Paints, Fertilizer (SOP, DAP, Urea, etc.), Pesticides, Ethanol	9,357,150	6,178,941
Construction	Iron & Steel, Sanitary items & Fittings, Pipes, Construction Equipment	4,560,240	3,278,339
Ship Breaking	Ship Scrap	2,418,658	2,998,396
Wholesale & Retail Trade	Talc Stone, Beverages, FMCG, Safety Match	2,364,299	1,563,187
Others	Poultry Feed, Glass, Battery, Bikes, Electronic Appliances, Fans (Ceiling fan, Electric Fan, Fan Spare Parts), Photocopier Machine, Bio Metric Devices, Computers, Laptops, Furniture, Foam, Tractors, Cleaning Products, Finished Leather, Sport Goods, Paper Boxes, Plastic Products, Packaging & Material, HRC, Wire Rod	9,627,894	6,675,441
Grand Total		71,913,910	94,974,720

Note: Year by year comparison is solely among sectors, while nature of inventory may vary.



Statement of Financing Portfolio Income

Meezan Bank provides financing to its corporate, commercial, SME, Agriculture and Consumer banking customers using a variety of Shariah-compliant modes of financing. The below mentioned matrix shows the percentage of income earned on different financing modes, and depicts a well-balanced and diversified financing portfolio of the Bank.

The diversification has been achieved by using arrangements based on trade, rent, joint ownership, profit / loss partnership and agency, to suitably meet the needs of customers and provide a halal return.

Islamic modes of financing	Amount	2025 %	Amount	2024 %
Running Musharakah	53,474	35.9%	59,412	31.9%
Diminishing Musharakah	46,460	31.2%	51,011	27.4%
Ijarah	9,515	6.4%	9,640	5.2%
Istisna	13,693	9.2%	22,529	12.1%
Musawamah	5,148	3.5%	10,395	5.6%
Wakalah	4,701	3.2%	5,000	2.7%
Murabaha	2,762	1.9%	3,519	1.9%
Tijarah	2,203	1.5%	3,600	1.9%
Salam	3,329	2.2%	5,664	3.0%
Others	7,566	5.0%	15,627	8.3%
Total	148,851	100%	186,397	100%

Statement of Corporate Social Responsibility & Charity Distribution

As a responsible corporate entity, Meezan Bank remains committed to making a meaningful impact on society. Over the past year, The Bank has actively supported a range of initiatives focused on corporate philanthropy, education, financial literacy, skill development, healthcare, disaster relief, environmental sustainability, community welfare, empowerment, and economic development. These efforts have been facilitated through funding, donations, scholarships, sponsorships, and distribution of charitable funds. Details of contributions to various causes are as follows:

Focus Area	Amount in Rupees
Corporate Philanthropy	400,943,328
Education, Financial Awareness and Skill Development	43,138,835
Community Investment and Welfare	34,343,317
Financial Empowerment and Economic Development	27,541,188
Healthcare and Medical Assistance	25,978,657
Disaster Relief and Humanitarian Aid	18,403,273
Environmental Protection and Sustainability	8,090,413
Total CSR Contribution	558,439,011
Distribution of Charity Funds	311,616,000
Total Impact	<u>870,055,011</u>

A Product Matrix that Distinguishes Us

Meezan Bank has a unique business model that is based on trade. All our products and services are application of any of the various trade transactions that are permissible in Shariah, such as sale, rent, partnership. Based on these modes of trade, Meezan Bank's products and services can be categorized in the following broad categories.

SALE-BASED

Murabaha & Musawammah – Murabaha is a sales transaction where the seller discloses the cost and profit to the buyer at the time of execution of sale. Musawammah is a sales transaction where cost and profit is not disclosed at the time of sale.

- Customer Needs – asset-based working capital requirement (e.g. raw material & inventory), Import Financing
- Key Features – short-term facility, bank sells required asset on deferred or spot payment
- Variants – Murabaha/Musawammah FIM (Finance Against Imported Merchandise), Murabaha/Musawammah FIM Spot, Murabaha against Export Usance Bill, Musawammah against Sight LC, etc.

Tijarah – working capital solution where customers sell their inventory on spot basis to Bank to get funds required for operations. Later the inventory is sold by the Bank in the market.

Istisna – A working capital solution for manufactures where Bank orders its customer to manufacture and deliver certain specific asset against spot/deferred payment.

Commodity Salam – A working capital solution where homogenous commodities like sugar, wheat, rice are purchased from customers by the Bank against advance payment and deferred delivery.

PARTNERSHIP-BASED

Running Musharakah – Shirkatul-aqd based financing facility offered to the customers where the Bank participates in the operating activities of the customer and shares profit and loss as per the actual performance of the business. It can be used by both service sectors and manufacturing sectors in meeting their day-to-day financing requirements.

SERVICE-BASED

Letter of Credit Services – In order to facilitate imports of customers, Meezan Bank offers letter of credit establishment services on Wakalah basis.

Hedging Facilities – In order to hedge the risk of foreign currency price fluctuations, Meezan Bank offers a Shariah-compliant hedging facility on the basis of Wa'ad.

Guarantee Services – In order to facilitate trade, Meezan Bank offers Shariah-compliant guarantee facility to its customers where the Bank provides different types of payment and performance guarantees on behalf of the customer.

RENT-BASED

Ijarah – technically means to give something on rent. The Bank acquires the asset required by the customer and then leases it to the customer for a fixed period.

- Customer Needs – fixed asset financing (e.g., plant, machinery, generators, equipment, vehicles, etc).
- Key Features – Long-term facility

Diminishing Musharakah – Bank and the customer jointly purchase an asset and create joint ownership in the asset. The Bank then leases its share in the asset to the customer while the customer purchases units of ownership in the asset from the Bank at periodic intervals. Upon purchase of all the units, the customer becomes the owner of the asset.

- Customer Needs – fixed asset financing (e.g., land, house, factory, building, equipment, etc.)
- Key Features – medium & long-term facility.

Strategy & Resource Allocation

Strategic Objectives

Our Strategic Framework



Shariah Compliance

Meezan Bank remains firmly committed to Shariah principles, ensuring that all products, services, and operational practices are fully aligned with Islamic finance. Building on a strong institutional foundation, the Bank continues to strengthen its Shariah Governance Framework through standardized policies, robust oversight, and independent review mechanisms under the guidance of its Shariah Board. This disciplined and process-driven approach reinforces consistency, transparency and ethical banking practices, safeguarding stakeholder confidence and sustaining Meezan Bank's position as Pakistan's most trusted Islamic financial institution.



Service Excellence and Customer Trust

Meezan Bank continues to focus on service excellence and customer trust by delivering consistent, reliable, and high-quality banking experiences across all customer segments and service channels. With an emphasis on institutionalized service standards, operational discipline, and a customer-centric culture, the Bank aims to strengthen service reliability, responsiveness, and engagement.

As part of its forward-looking agenda, the Bank is undertaking the development of its next three-year strategic plan, ensuring alignment between long-term priorities, evolving customer expectations, and execution capabilities. In parallel, the expansion of Head Office capacity through Block-III, along with the development of the Meezan Tower, Islamabad, and other strategic facilities, is aimed at strengthening institutional capability, improving cross-functional collaboration, and supporting sustainable growth. These investments reinforce the Bank's long-term commitment to operational excellence and service consistency.



Digitalization & Institutional Enablement

As part of its ongoing transformation journey, Meezan Bank continues to advance its digitalization agenda to enable scalable growth, operational resilience, and enhanced customer convenience. The Bank is leveraging secure, integrated, and future-ready digital platforms to support cashless banking, improve efficiency, and strengthen service accessibility across channels.

Alongside technology investments, Meezan Bank is actively driving a digital-first culture across the organization, focusing on capability building, process automation, and adoption of technology-enabled ways of working. The development of modern, digitally enabled infrastructure, including the Head Office Block-III and the Meezan Tower, is designed to support collaboration, innovation, and future workforce requirements. Together, these initiatives reflect a structured, institution-led approach to transformation, reinforcing Meezan Bank's positioning as a future-ready Islamic bank while supporting sustainable and disciplined growth.

Long Term Objectives

- To become the leading financial institution in Pakistan, actively leading the national transition toward a 100% Riba-free (interest-free) economy.
- Establishing Meezan Bank as a global benchmark and knowledge hub for Islamic financial engineering and product innovation.
- To provide universal financial access to the unbanked, ensuring every citizen has a Shariah-compliant digital wallet.

Medium Term Objectives

- Expand Islamic financing into specialized sectors like SME, Agriculture, and Green Energy to prove Shariah compliance works for all industries.
- To establish and scale a fully digital Islamic banking platform that captures the tech-savvy demographic and competes with neobanks.
- Strengthen the brand as synonymous with trust and Shariah Integrity, and nurture Islamic Banking by establishing "Meezan Centers of Excellence" for Islamic finance education in major universities.

Short Term Objectives

- Focus on launching innovative, Shariah-compliant financial solutions across emerging sectors and digital platforms to broaden market reach.
- Strengthen financial performance by optimizing costs, diversifying revenue streams, and improving productivity across all operations.
- Increase adoption of digital channels and elevate service quality to improve customer satisfaction and accessibility.

Strategies in Place

Meezan Bank employs a multi-faceted strategic approach to maintain its leadership in the Islamic banking sector and deliver long-term value:

Customer-Centric Relationship & Wealth Management

The Bank focuses on deepening relationships across diverse segments by enhancing cross-selling opportunities and offering specialized wealth management services for both individual and corporate clients. This is supported by a "Customer-First" culture, where continuous staff training ensures the delivery of empathetic, responsive, and high-quality service, ultimately elevating the overall customer experience.

Digital Transformation & Infrastructure Investment

A core strategy is the significant investment in digital infrastructure to provide convenient, accurate, and accessible Shariah-compliant services. By leveraging cutting-edge technology, the Bank aims to streamline operations and differentiate itself in a competitive market. This digital-first approach allows for rapid product development and addresses the growing demand for modern, tech-driven financial solutions.

Shariah Governance & Market Advocacy

Upholding the highest standards of Shariah compliance remains the cornerstone of the Bank's identity. Robust monitoring systems ensure strict adherence to Islamic principles, reinforcing credibility and trust. Furthermore, the Bank actively leads the industry by promoting Islamic banking awareness through nationwide educational initiatives and outreach programs, driving market growth and financial inclusion.

Strategic Agility & Operational Efficiency

The Bank fosters strong partnerships with business entities, positioning itself as a trusted partner for corporate lending, cash management, and financial inclusion projects. Simultaneously, Meezan Bank prioritizes operational excellence through technological upgrades and process optimization. These efforts are designed to drive cost savings, improve service delivery, and ensure consistent profitability for investors and stakeholders.

Navigating a Multi-Tiered Competitive Field

Within this evolving landscape, Meezan Bank faces competition on three primary fronts.

Intensified Rivalry in Islamic Banking

Competition has heightened from both dedicated Islamic banks and the expanding Islamic banking windows of major conventional banks, all vying for a share of the growing Islamic finance customer base.

Competitive Landscape & Market Positioning

The Pakistani banking sector is undergoing a profound structural transformation, driven by a rapid migration toward digital-first solutions and a national policy mandate to transition to a fully Riba-free economy by 2027. This dual shift has created a dynamic and increasingly converged competitive landscape, where the distinction between conventional and Islamic banking is blurring as all major institutions accelerate their Shariah-compliant offerings.

Scale and Digital Prowess of Conventional Competitors

Large universal banks leverage their extensive scale and are making aggressive digital investments, setting a high benchmark for service delivery, accessibility, and customer experience that defines market expectations.

Advent of Digital Disruptors

Fintechs and digital-native platforms are reshaping customer expectations for seamless, instant, and convenient banking, compelling all traditional institutions to innovate with greater speed.

Solidified Leadership and Strategic Positioning

Amidst this competition, Meezan Bank has solidified its undisputed position as the leader of Islamic banking and the premier choice for ethical finance in Pakistan. This leadership is built on several key pillars:

Unmatched Market Dominance

The Bank commands a leading share of the Islamic banking market, a position underscored by its deposit base surpassing Rs 3 trillion, reflecting deep customer trust and institutional scale.

Mainstream Systemic Importance

Classified as a Domestic Systemically Important Bank (D-SIB), Meezan is recognized not as a niche alternative but as a mainstream financial pillar, rivaling the largest conventional institutions in its systemic role and reach.

By blending traditional ethical values with modern technological agility, Meezan Bank is uniquely positioned to lead the national transition to an interest-free economy while maintaining its competitive edge in a digital-first world.

SWOT Analysis

Strengths

- Largest and most trusted Islamic bank in Pakistan.
- Strong Shariah Supervisory Board and zero-tolerance stance on non-compliance.
- Consistent financial performance and strong capitalization.
- Loyal customer base with high brand credibility.
- Experienced management and committed workforce.

Weaknesses

- Higher operating costs compared to digital-only competitors.
- Lack of availability of human resources having specialized knowledge related to Islamic banking.
- Surplus liquidity with limited investment opportunities.

Opportunities

- Growing demand for Islamic banking and conversion of conventional banking.
- Expansion of digital and cashless banking solutions.
- Untapped SME, agriculture, and microfinance segments.
- Increasing preference for ethical and Shariah-compliant finance.

Threats

- Macroeconomic volatility and regulatory pressures.
- Cybersecurity and technology-related risks.
- Rapidly changing customer expectations and fintech disruption.
- Intensifying competition from Islamic windows and new Islamic banks.

Resource Allocation

Human Capital

- Enhancing employee base
- 1,061 internal and external training sessions
- Meezan Scholar Policy & Hajj Sponsorship Programs for employees

Natural Capital

- 196 branches including Head Office converted to Solar Power
- Cumulative installed solar capacity in FY26: 4.3 MW
- Reduced customer carbon footprint by shifting transactions to digital channels

Intellectual Capital

- Pioneered the enablement of RAAST QR on POS devices as an acquiring bank
- Scaled acquiring transaction volume to Rs 420 billion with an 86% growth rate
- First Acquirer to launch wireless integration with ERP for POS Devices
- #1 in industry in digital account opening; 107% YoY
- 93.6% transactions digitized (digital vs OTC)
- Payments leader (1LINK/IBFT): #1 by 1LINK count & value; #1 by IBFT send/receive value; #1 in IBFT sending income

Social and Relational Capital

- Launch of Meezan Justuju - flagship CSR initiative for fresh graduates
- Multiple security awareness & financial literacy campaigns for customers
- Cancer awareness session for female employees across multiple cities
- First dedicated Islamic banking YouTube channel in the country
- Workshops for corporate and SME customers

Manufactured Capital

- 54 new branches
- 1,321 biometric-enabled ATMs
- Call centres, Premium Banking and Consumer Finance Centres
- State-of-the-art data centres
- 38,500+ POS terminals deployed nationwide
- 10,000+ merchants onboarded; e-commerce gateway transactions reached Rs 33.2 billion (+171% YoY)

Financial Capital

- Rs 89,041.25 million Profit After Tax
- Rs 279,257.123 million Total Equity

Key Performance Indicators and Future Relevance

Strategy	Initiative	KPIs	Future Relevance
Maintain leadership in Islamic banking	- Grow deposit market share - Expand & diversify the financing portfolio - Ensure superior Shariah governance and product innovation	Market Share: Islamic banking deposit & financing market share Portfolio Performance: ROA, ROE, ADR (Advances to Deposits Ratio) Deposit Growth & Quality: Total deposits (PKR), CASA ratio. Asset Quality: Net NPL ratio	Yes
Accelerate Digital-First Customer Experience	- Drive adoption of digital channels for transactions and sales - Integrate digital solutions for operational efficiency	Digital Adoption: Percentage of active digital users, digital transaction ratio System Uptime / Availability: Percentage uptime Digital Customer Retention Rate: Percentage Customer Experience: Customer satisfaction score, app store rating	Yes
Deepen Customer Relationships & Brand Equity	- Enhance cross-selling & wealth management penetration - Build brand as synonymous with trusted, ethical banking - Strengthen loyalty in key segments (Retail, SME, Corporate)	Relationship Depth: Products per customer, wealth management growth Loyalty & Advocacy: Net Promoter Score (NPS), customer retention rate Brand Strength: Brand Consideration & Preference scores	Yes
Optimize Operational Excellence & Financial Resilience	- Streamline processes and automate for efficiency - Prudent cost management and margin optimization - Maintain robust risk and capital management	Efficiency: Cost-to-Income Ratio Risk Management: Capital Adequacy Ratio (CAR), cost of risk	Yes
Cultivate a Future-Ready & Engaged Workforce	- Build digital and Islamic finance competencies - Foster a high-performance culture with clear growth paths - Enhance employee engagement and retention	Talent Health: Employee engagement index, key talent retention rate Leadership Pipeline: Internal fill rate for managerial positions Capability Building: Percentage of staff certified in digital/Islamic banking competencies	Yes

Risk Management Framework

Meezan Bank manages its risks through a framework of sound risk management principles, which includes identification of potential risks, establishment of risk appetite and limits, assessment of the impact of potential risks, and formulation of policies, procedures, plans, and strategies to mitigate such risks. Continuous monitoring and reporting to stakeholders are also ensured. While the Board provides the policy framework and sets strategic direction, the Bank's management is required to formulate procedures, establish an organizational structure, introduce systems and monitoring tools, and implement controls.

The Board has constituted a Board Risk Management Committee, comprising Board members, with well-defined terms of reference. The Committee evaluates the Bank's risk profile and appetite, ensuring that systems are in place for monitoring the overall risk of the Bank. The Board of Directors has also constituted a Board IT Committee, which, amongst other IT and digital banking-related matters, ensures that cybersecurity risk management strategies are designed and implemented. The Bank's risk governance is mainly exercised through the following management committees:

- Credit Risk Management Committee (CRMC)
- Asset Liability Management Committee (ALCO)
- Compliance & Operational Risk Management Committee (CORMC)
- Business Continuity Steering Committee (BCSC)
- IT Steering Committee (ITSC)
- Service Board

The CRMC ensures that the credit risk activities of the Bank fall within the ambit of approved policies, regulatory requirements, and risk appetite thresholds. The ALCO reviews market and liquidity risk exposures, assets and liabilities mix, maturity profile, repricing gaps, and sets pricing, making decisions for sound liquidity management. The CORMC focuses on issues arising from compliance risk along with operational risk, Shariah non-compliance risk, and control issues. The BCSC ensures that adequate business continuity/disaster recovery plans are prepared, funded, tested, and that decision-making authority in the event of a crisis is clearly defined. The ITSC is responsible for assisting the Senior Management in implementing IT and digital strategies approved by the Board of Directors and for playing an advisory role in all technology-related matters. It is responsible for reviewing significant incidents, major risks, and breaches submitted by Information Security. The Service Board is the main decision-making body for addressing service gaps and improving the Service Quality of the Bank. The Service Board oversees and monitors the performance of all relevant departments involved directly or indirectly in delivering customer experience and providing services to external as well as internal customers of the Bank.

Meezan Bank follows a 'Three Lines of Defense' model for risk management, with clearly defined roles and responsibilities that are at the core of the Bank's operations.

1 1st Line of Defense	2 2nd Line of Defense	3 3rd Line of Defense
Business Units & Support Groups	Risk Management, Compliance, Shariah Compliance Department & other Control Functions	Internal Audit, Shariah Audit, & Business Review Functions
Primarily responsible for risk identification and management in their respective fields of operation; they achieve this by complying with all policies, procedures, and regulations. This includes ensuring that all control procedures are followed on an on-going basis.	Establishing risk management standards, policies, and frameworks and providing assurance on policy implementation and quality of controls. This involves reviewing the quality of controls, validating risk assessments, and recommending/reporting remediation needs in high-risk areas.	Providing independent assurance on the adequacy of the Bank's internal controls.

Meezan Bank has been designated as a Sample Domestic Systemically Important Bank (D-SIB) by the State Bank of Pakistan for 2025–2026. The Bank has a comprehensive Recovery Plan in place for dealing with various crisis scenarios, along with early warning signals and appropriate remedial actions during crises. Comprehensive Business Continuity, IT Disaster Recovery, and Contingency Funding Plans are in place to ensure the resilience of the Bank. The Bank has a Board-approved Internal Capital Adequacy Assessment Process Framework and Risk Appetite Statement that are regularly reviewed and updated. The Bank has been continuously improving its stress testing framework to capture the impact of various shocks on the Bank's business portfolio, capital adequacy, liquidity, and profitability.

The Risk Management Framework has been implemented by functions independent of commercial lines of business. The Risk Management Group (RMG) continues its efforts, focusing on improving policies and procedures, limit structuring, and strengthening systems and controls. Under RMG, the credit risk function caters to corporate, investment banking, commercial & SME, agriculture, supply chain, and consumer business segments. The Bank has an automated financing approval system for corporate, commercial, SME, agriculture, and supply chain customers, bringing significant improvements in customer facilitation. Enterprise Risk Management (ERM) under RMG caters to market, liquidity, financial institutions, country, operational, environmental, and business continuity risks. ERM also assists in capital strategy formulation and portfolio management. ERM closely works with regulatory and Shariah Compliance and other relevant functions for risk management at the entity level. The Information Security function under RMG conducts regular cybersecurity reviews, and penetration testing exercises are performed by an internal team and cybersecurity consultants for continuous improvement.

The Bank recognizes the importance of compliance, reputational, strategic, and information security risks as distinct types of risks and continuously improves upon its practices to cater to these risks. Shariah non-compliance risk management principles are also at the heart of the business practices of the Bank.

Risk and Opportunity Report

Risk assessment, management, and oversight are continuous activities at Meezan Bank. Based on the internal and external environment, the Bank's governance works to identify, monitor, control, and mitigate risks to formulate a strategy that is both risk-responsive and opportunity-aware.

Key Sources of Uncertainty

Banks are typically exposed to risks, including but not limited to credit, market, concentration, liquidity, operational, information security/cybersecurity, regulatory, compliance, reputational, business conduct, strategic, as well as Shariah non-compliance risks and climate risks. Meezan Bank, being the largest Islamic bank in the country, is fully aware of the importance and implications of Shariah non-compliance risk on its business and strategy.

Year 2025 started off with the consolidation of economic stability due to resilient foreign reserves, single-digit inflation, and a bullish stock market. Throughout the year, the SBP continued monetary easing by bringing the policy rate down from 13% to 10.5%. The IMF program success, coupled with record remittances, provided essential liquidity to the economy. However, US trade tariffs and regional instability remained key concerns for the overall economy of Pakistan.

Going forward, sustainable fiscal measures, stable forex reserves, and external support from the IMF and other sources, along with global political changes and the overall law and order situation, are expected to be the key determinants for the outlook of the country.

Despite economic challenges, Meezan Bank continued its journey towards growth by increasing its deposits, investments, and total asset base. Moreover, the Bank continued its role as an active player in mobilizing deposits from overseas Pakistanis, as evident from the increase in the Roshan Digital Accounts deposit base. The continuous flow of GoP Ijarah Sukuk remained an element of relief to the Islamic banks in managing their excess liquidity.

Year 2026 is expected to be challenging due to a low policy rate. However, a low policy rate may result in higher demand for private sector financing and reduce the finance cost for businesses, resulting in a positive impact on the overall economy.

Statement of Board of Directors on Risk Assessment

The Board of Directors and its subcommittees, comprising Board members, thoroughly assessed all principal risks, including but not limited to credit, market, concentration, operational, liquidity, information security/cybersecurity, regulatory, reputational, strategic, technology, Shariah non-compliance, and compliance risks, through various reports, including early warning indicators, to ensure that the Bank has in place the necessary policies, procedures, systems, and controls to mitigate risks that may affect its business objectives, performance, financial viability, and sustainability.

Materiality Approach

The Bank gives due consideration to the materiality concept while managing its risks. Resources are deployed efficiently in medium to high-risk areas, while minor risks are typically managed through transfer and outsourcing arrangements. The Bank manages all its core operations on its own. Regulatory and Shariah compliance are at the heart of the Bank's materiality approach while managing existing operations and taking new initiatives.

Meezan Bank will continue its journey of growth by exploring opportunities to achieve its strategic objectives, while ensuring that effective risk mitigants and controls are in place, Insha'Allah.

Business Continuity Management

The Bank's Business Continuity Plans are developed to enable the management of the impact of any crises and ensure uninterrupted operations. The Bank has implemented well-defined, approved plans, effective decision-making processes, outlined description of distressed scenarios, and roles and responsibilities of various functions. This ensures coordinated efforts among stakeholders and operational continuity in case of any disruption. Simultaneously, the Bank has leveraged its technology infrastructure to improve its IT Disaster Recovery Set-up, developing the right contingency plans and mitigating actions beforehand.

The Business Continuity Plans facilitate the continuance of business activities and safeguard the interests of the Bank's key stakeholders in the event of crisis situations by ensuring appropriate availability of systems and other critical resources. The implementation of the Plans ensures the safety of human resources, protection of critical assets, and the resumption of mission-critical activities from alternate processing site(s) in case the primary site(s) are not accessible or available. Additionally, to test the Bank's preparedness and ensure continued relevance of Business Continuity Plans, the Bank carries out drills replicating real-life situations. At Meezan Bank, the priority is always to ensure the safety of human life in case of any disaster.

Responding to Critical Challenges and Uncertainties

The Pakistani economy in 2025 has moved into a phase of stabilization, characterized by a significant cooling of inflation to single digits and a consistent downward trajectory in the central bank's policy rate. While the primary surplus targets and improved foreign exchange reserves reflect successful fiscal consolidation under the IMF's Extended Fund Facility and bilateral support, economic growth is expected to remain modest, barely keeping up with population increases. This outlook is also a result of the lasting effects of severe regional flooding, which has reduced agricultural output and constrained overall economic activity.

A decrease in the inflation rate and improvement in other economic indicators, followed by easing of monetary policy, have resulted in a decrease in borrowing costs and reduced the risk of Non-Performing Financing (NPFs). Going forward, fiscal measures, securing external support from multilateral and bilateral partners, global commodity price stability, and regional stability are expected to be the key determinants for the outlook of Pakistan.

To maintain a high level of asset quality, the Bank has equipped itself through a robust risk assessment mechanism, effective portfolio management, limit structuring, a four-eye financing approval mechanism, rapid portfolio reviews, and post-disbursement monitoring to minimize the level of its non-performing assets portfolio and enable early identification of distressed accounts. Moreover, an effective limit structure with respect to Money Market, FX, Equity, and other FI exposures is already in place to mitigate the risk.

Pakistan faces significant climate risk, despite low carbon emissions. Meezan Bank is aware of its pivotal role in the financial sector and how it can contribute towards mitigating such risks faced by the country. In line with the instructions of the State Bank of Pakistan, the Bank is gearing towards implementing an Environmental and Social Risk System, which will enable the Bank to identify and manage exposure to Environmental & Social Risks of its customers.

In response to the continuous growth in digital banking, the Bank has established robust and secure digital platforms in place, including a mobile app and internet banking channels, to provide customers with efficient and seamless access to banking channels. While the expansion of digital banking enhances customer convenience, it also increases the Bank's exposure to cybersecurity risks. To manage these risks, the Bank has implemented a comprehensive cybersecurity framework comprising preventive, detective, and corrective controls across its technology environment, including the data centre. An independent Information Security Department provides governance and oversight, supported by experienced and qualified professionals. The Bank conducts regular cybersecurity reviews, cyber risk assessments, and penetration testing exercises through a combination of internal expertise and independent cybersecurity specialists, enabling continuous enhancement of its security posture. In addition, the Bank maintains internationally recognized certifications for its data centres and information security management functions, reflecting its commitment to globally accepted security standards. Ongoing cybersecurity awareness programs are conducted for both staff and customers to promote secure practices and strengthen the overall cyber resilience of the Bank.



2025 Focus Areas

- Robust Risk Assessment Mechanism
- Effective Portfolio Management
- Limit Structuring
- Four-eye Financing Approval Mechanism
- Rapid Portfolio Reviews
- Post-Disbursement Monitoring

Information Security Measures

Strengthened the Bank's Data Security Infrastructure



Ensured regular and consistent Cyber Security Reviews across the Bank

The Bank's strong focus on learning and development of its staff helps to ensure their competitiveness and ability to face new challenges and uncertainties. The Bank has a competitive reward policy to ensure retention of existing staff and to hire the best human resources from the industry.

Board of Directors

Mr. Riyadh S.A.A. Edrees Chairman, Non-Executive Director

Mr. Riyadh S. A. A. Edrees has been a Director of Meezan Bank since October 2012. He currently serves as Chairman of the Board and is also Chairman of the Human Resources, Remuneration and Compensation Committee and the IFRS 9 Committee of the Board. In addition, he is a member of the Information Technology Committee. He has previously served as Vice Chairman of Meezan Bank's Board.

Mr. Edrees holds a Bachelor of Science in Chemical Engineering from Newcastle upon Tyne University, United Kingdom, and a Master of Science in Chemical Engineering from Kuwait University. His professional experience spans a wide range of industries and leadership roles.

Current Directorships

- Chairman, Noor Financial Investment Co., Kuwait
- Deputy Chief Executive Officer, National Industries Group Holding, Kuwait
- Chairman and Chief Executive Officer, Ikarus Petroleum Industries Co., Kuwait
- Vice Chairman, Privatization Holding Co., Kuwait
- Chairman, Middle East Complex for Engineering, Electronics and Heavy Industries Co., Jordan
- Board Member, Sahara International Petrochemical Co. (SIPCHEM), Kingdom of Saudi Arabia
- Chairman, IT Partners Information Technology Co., Kuwait
- Board Member, Combined National Industries Holding Co. for Energy, Kuwait
- Board Member, Al Durra National Real Estate Co., Kuwait

Other Recent Offices Held

- Vice Chairman, Airport International Group Co., Jordan
- Vice Chairman, Eastern United Petroleum Services Co., Kuwait
- Director, Sajaa Gas Private Limited Co., United Arab Emirates
- Director, United Gas Transmissions Company Limited Co., United Arab Emirates
- Advisory Board Member, Markaz Energy Fund, Kuwait
- Chairman, K-Electric Limited, Pakistan

Mr. Bader H.A.M.A AlRabiah Non-Executive Director

Mr. Bader H. A. M. A. Al-Rabiah has been a Director of Meezan Bank since November 2015. He is a member of the Information Technology Committee and the Risk Management Committee

of the Board. He has a strong academic background in accounting and extensive professional experience spanning more than 22 years across multiple sectors.

Current Directorships

- Vice Chairman and Chief Executive Officer, Noor Al-Salhiya Real Estate Co., Kuwait
- Vice Chairman, Meezan Bank Limited, Pakistan
- Board Member, Savola Group, Kingdom of Saudi Arabia
- Chairman, Al-Durra National Real Estate Co., Kuwait
- Vice Chairman, Amar Finance and Leasing Co., Kuwait
- Board Member, Palms Agro Production Co., Kuwait
- Board Member, Dimah Kuwait Co. for Providing Large Electronic Money Services, Kuwait
- General Manager, Ikarus Real Estate Co., United Arab Emirates
- Board Member, Hotels Global Group, Jordan
- Board Member, Middle East Petrochemical Co., Kingdom of Saudi Arabia
- General Manager, Noor International Co. for Selling and Buying Shares and Bonds, Kuwait
- General Manager, Al-Merqab Co. for Buying and Selling Shares and Bonds, Kuwait

Mr. Tariq Mahmood Pasha Non-Executive Director

Mr. Tariq Mahmood Pasha joined the Board of Directors of Meezan Bank in October 2023. He is a Member of the Audit Committee and IFRS 9 Committee of the Board.

Mr. Pasha has over 37 years of experience serving the Government of Pakistan in various senior capacities. His most notable roles include Special Assistant to the Prime Minister on Revenue, Non-Executive Director on the Board of Directors of the State Bank of Pakistan (SBP), Chairman, Federal Board of Revenue (FBR), and Special Assistant to the Federal Minister for Finance. He has also served as Federal Secretary for four Ministries and Divisions, namely Revenue,

Economic Affairs, Statistics, and Kashmir Affairs and Gilgit-Baltistan.

In addition, Mr. Pasha has held the position of Principal Secretary to the Governor of Punjab and has served as Provincial Secretary, Government of Punjab, for the Finance Department and the Religious Affairs Department.

Mr. Pasha has previously served as a Member of the Monetary Policy Committee of the State Bank of Pakistan (SBP) and as Director on the Boards of The Bank of Punjab and Pak-Brunei Investment Company Limited.

Current Directorships

- Director, Pakistan Centre for Philanthropy
- Member, Board of Directors, Benazir Income Support Programme (BISP)

Mr. Irfan Siddiqui Founder President & CEO, Non-Executive Director

Mr. Irfan Siddiqui is the Founder President & CEO of Meezan Bank. He served in this role from 1997 to December 2025. He is Member of Board Human Resources, Remuneration & Compensation Committee, Board Audit Committee and Board Information Technology Committee. Having articulated with Coopers & Lybrand, London, from 1975 to 1979, Mr. Siddiqui qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales.

Mr. Siddiqui led Meezan Bank from its inception in 1997, when it was established as Al Meezan Investment Bank. In 2002, following the grant of the country's first Islamic

commercial banking licence, the Bank commenced full-fledged Islamic commercial banking operations.

His distinguished career includes several senior management roles, including Chief Executive Officer at Al Meezan Investment Bank Limited; General Manager at Pakistan Kuwait Investment Company; Chairman of Al Meezan Investment Management; Advisor to the Managing Director at Kuwait Investment Authority; Manager, Finance and Operations at Abu Dhabi Investment Company; and Senior Business Analyst at Exxon Chemical (Pakistan) Ltd.

Current Directorships

- Board Member, Meezan Bank Limited, Pakistan
- Member, Board of Trustees - Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain
- Chairman, Al-Meezan Investment Management Limited
- Member, IBA Centre of Excellence in Islamic Finance (CEIF), Board Management
- Member, Steering Committee for Strategic Guidance on the Implementation of Federal Shariat Court's (FSC) Judgement on Riba

Mr. Saad Ur Rahman Khan Non-Executive Director

Mr. Saad Ur Rahman Khan joined the Board of Directors of Meezan Bank in August 2023. He is a Member of the Audit Committee and serves as Chairman of the Risk Management Committee and the Information Technology Committee of the Board.

Mr. Khan is a graduate of the Institute of Business Administration (IBA), Karachi, and has an extensive banking career spanning over 30 years. His professional experience covers Retail Banking, Trade

Finance, SME Banking, Commercial and Corporate Banking, Investment Banking, Financial Institutions, International Banking and Risk Management.

He began his professional career with MCB Bank Limited in 1993 and has since held several senior leadership positions in prominent local and multinational financial institutions, including Citibank, National Bank of Pakistan, Habib Bank Limited and Bank Alfalah Limited.

Current Directorships

- Pakistan Kuwait Investment Company (Private) Limited
- National Clearing Company of Pakistan Limited

Other Recent Offices Held

- Board Member, Alfalah Asset Management Limited
- Board Member, NBP Fund Management Limited
- Board Member, National Bank of Pakistan Kazakhstan
- Board Member, National Bank of Pakistan Tajikistan
- Al Meezan Investment Management Limited
- Pakistan Institute of Corporate Governance
- Member, Executive Committee, Pakistan Banks Association
- Board Member, Sapphire Wind Power Company Limited
- Board Member, Triconboston Consulting Corporation (Private) Limited

Mr. Faisal Fahad AlMuzaini Non-Executive Director

Mr. Faisal Fahad AlMuzaini joined the Board of Directors of Meezan Bank as a Director in 2021. He is a Member of the IFRS 9 Committee of the Board.

Mr. AlMuzaini holds a Bachelor's Degree in Business Administration from Gulf University for Science and Technology and is a Program for Leadership Development

(PLD) alumnus of Harvard Business School. He has over 20 years of professional experience in Investments and Corporate Finance and has held several senior management positions during his career. He has been serving as Head of the Debt Management Department at the Ministry of Finance, State of Kuwait, since 2018.

Other Recent Offices Held

- Board Member, Arab Monetary Fund (AMF)
- Board Member, Arab Trade Financing Program (ATFP)
- Head of Investment Department, Commercial Bank of Kuwait
- Secretary to the Board, Commercial Bank of Kuwait
- Board Member, Al Mulla International Financing Company
- Board Member, Al Soor Financing Company (Al Mulla Group)
- Board Member, Al-Tijari for Investment Funds Company, Kingdom of Bahrain
- Board Member, KIC Brokerage Company

Mr. Zine Elabidine Bachiri **Non-Executive Director**

Mr. Zine Elabidine Bachiri joined the Board of Directors of Meezan Bank in November 2024. He is a Member of the Board Risk Management Committee.

Mr. Bachiri holds a Master's degree in Risk Management from Sheffield Hallam University, United Kingdom. He has over 19 years of professional experience in finance and banking, with

specialization in Credit Risk, Market Risk, Asset and Liability Management, and Financial Engineering.

He is currently serving as Head of the Financial Policies, Planning and Analytics Department at the Islamic Development Bank.

Other Recent Offices Held

- Board Member, Islamic Bank of Guinea

Mr. Abdulrazzaq T.A.M. Razooqi **Independent Director**

Mr. Abdulrazzaq T.A.M. Razooqi joined the Board of Directors of Meezan Bank in November 2024. He is a Member of the Audit Committee, Human Resources, Remuneration & Compensation Committee and the Risk Management Committee of the Board.

Mr. Razooqi holds a Bachelor of Science in Business Management, with specialization in Economics and Entrepreneurship, from Babson College, Wellesley, Massachusetts, United States of America.

Mr. Razooqi is currently serving as Head of Advisory and

Mergers and Acquisitions at Kuwait Financial Centre K.P.S.C. ("Markaz"). In this role, he has been actively involved in mergers and acquisitions, financial restructurings, valuations, and other transaction advisory services.

During his association with Markaz, Mr. Razooqi has advised clients on mergers and acquisitions across a wide range of sectors, including industrial, healthcare, education, insurance, and food and beverage. In the area of financial restructuring, he has been a key contributor to several high-profile assignments in the retail, trading, and real estate sectors.

Current Directorships

- Director, First Equilease for Equipment and Transportation
- Director, Gulf Custody Company

Other Recent Offices Held

- Board Member, Union Trading Company

Mr. Mohammad Abdul Aleem **Independent Director**

Mr. Mohammad Abdul Aleem was re-elected as an Independent Director on the Board of Directors of Meezan Bank in November 2021. He is the Chairman of the Audit Committee and a Member of the Human Resources, Remuneration and Compensation Committee of the Board.

Previously, he served as a Director on the Board of Meezan Bank from October 2010 to November 2018. During his earlier tenure, he was Chairman of the Audit Committee as well as the Information Technology Committee of the Board. In addition to Meezan Bank, Mr. Aleem currently serves as Director and Chairman of the Audit Committee of Pakistan Refinery Limited.

Mr. Aleem is presently the Chief Executive Officer and Secretary General of the Overseas Investors Chamber of Commerce and Industry (OICCI). He has held senior leadership roles with Exxon Chemical, Engro Corporation, and British American Tobacco Group (BAT) in Pakistan and overseas, including assignments in Singapore. During his tenure with BAT, he ultimately served as Chief Executive Officer of BAT Operations in Cambodia, Mauritius, and the Indian Ocean Territory.

Since 2004, Mr. Aleem has held senior executive positions in major Government-owned organizations in Pakistan. His last assignment in the public sector was as Managing Director of Pakistan State Oil Company Limited.

Mr. Aleem has previously served as Director on the Boards of Engro Corporation Limited, Dawood Hercules Corporation Limited, Pakistan Tobacco Company Limited, Lahore University of Management Sciences (LUMS), and the Pakistan Institute of Corporate Governance. He has also served as Chairman of Faysal Asset Management Limited.

A strong supporter of non-profit organizations in the field of education, Mr. Aleem is currently Vice Chairman of the Professional Education Foundation and Chairman of the Intellect School Governing Board.

Mr. Aleem is a Fellow Chartered Accountant (Gold Medallist) and a Fellow Member of the Institute of Cost and Management Accountants of Pakistan. He has also attended extensive international management training programmes at leading institutions, including Stanford University.

Current Directorships

- Pakistan Refinery Limited
- Professional Education Foundation
- Sharmeen Khan Memorial Foundation
- Overseas Investors Chamber of Commerce and Industry (OICCI)
- Member, Audit Oversight Board

Ms. Nausheen Ahmad Independent Director

Ms. Nausheen Ahmad joined the Board of Directors of Meezan Bank in April 2019. She is a Member of the Human Resources, Remuneration and Compensation Committee of the Board.

Ms. Ahmad holds an LL.B. from King's College London, an LL.M. from the University of London, and a degree in the Philosophy of Religion from King's College London. She was called to the Bar by the Honourable Society of Gray's Inn, London, and is enrolled as an Advocate of the Sindh High Court. She is also accredited as a mediator and master trainer by the Centre for Effective Dispute Resolution (CEDR), United Kingdom, and has completed a negotiation Advisory, providing corporate governance advisory and training services to businesses. She is also associated with Khaadi Weaves Corporation Limited as Consultant and Company Secretary.

In addition, Ms. Ahmad is an executive trainer and teaches Directors' Certification programmes and the Corporate Law and Taxation diploma at the Institute of Business Administration (IBA). She conducts diversity and inclusion

and conflict resolution programme at Harvard Law School.

With over three decades of experience in the corporate sector, Ms. Ahmad brings extensive expertise in the legal field along with proven leadership capabilities. She began her legal career with the corporate law firm Surridge and Beecheno and subsequently served as Legal Counsel at Pakistan Petroleum Limited and Unilever Pakistan Limited. She has also held senior roles at ICI Pakistan Limited and Habib Bank Limited as Company Secretary and General Counsel.

Ms. Ahmad left in-house legal practice in mid-2021 to establish a boutique law firm, Legal and Governance training, as well as conflict resolution and negotiation skills courses, and provides mediator accreditation training through ADRI, Lahore. She also serves as an executive volunteer, providing pro bono governance advisory services to the ChildLife Foundation and Kaarvan Crafts Foundation.

In May 2025, Ms. Ahmad was appointed as Chancellor of the Textile Institute of Pakistan, a university chartered by the Government of Sindh.

Current Directorships

- International Steels Limited (ISL)
- Jubilee General Insurance Company Limited (JGICL)
- Crescent Steel and Allied Products Limited

She also serves on the Boards of Directors of the following private, unlisted companies:

- Descon Engineering Limited
- 1LINK (Private) Limited

Dr. Syed Amir Ali President & CEO

Dr. Syed Amir Ali is a distinguished Islamic banking professional with over two decades of experience spanning across finance, treasury, corporate and investment banking. He currently serves as President & CEO of Meezan Bank, Pakistan's largest Islamic bank, where he provides strategic leadership focused on sustainable growth, corporate governance, and long-term value creation.

He is a member of the Executive Committee of the Pakistan Banks Association and serves on the boards of Al Meezan Investments and Meezan Exchange, contributing to the development and oversight of Pakistan's Islamic financial ecosystem.

Dr. Ali joined Meezan Bank in 2006 in Investment Banking and later led the Corporate & Investment Banking Group. He served as President & CEO of BankIslami Pakistan from 2018

to 2023, where he successfully led a major turnaround. During his tenure, BankIslami's profitability increased nearly 50 times, reflecting a comprehensive transformation in strategy, business operations, and financial performance.

Earlier in his career, he worked with A. F. Ferguson (member of PwC), Pakistan Refinery and Shell, gaining extensive experience across assurance, energy, and multinational environments.

Dr. Ali is a Harvard Business School alumnus, a CFA Charterholder, and a Chartered Accountant (Gold Medalist). He also holds PhD, MBA (Gold Medalist), and LLB degrees, and has completed a Certificate in Software Engineering, reflecting his interest in technology-driven financial innovation and digital transformation.

Shariah Board

Justice (Retd.) Muhammad Taqi Usmani Chairman – Shariah Board

Justice (Retd.) Muhammad Taqi Usmani is a renowned figure in the field of Shariah, particularly in Islamic finance. He currently holds advisory positions in a number of financial institutions practicing Islamic banking and finance. He has vast experience in Islamic Shariah, teaching various subjects on Islam for more than 50 years. He has served as a Judge in the Shariat Appellate Bench, Supreme Court of Pakistan, from 1982 to 2002. He is also a permanent member of the International Islamic Fiqh Academy, an organ of the OIC based in Jeddah, Saudi Arabia. He has served as the Vice Chairman of the above-mentioned Academy for nine years.

He is generally known as one of the leading Shariah scholars active in the field of Islamic finance. For more than a decade, he has served as Chairman or member of Shariah Supervisory Boards of a dozen Islamic banks and financial institutions in various parts of the world. He presently serves as Chairman of the International Shariah Council for the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain. He has held many positions in the higher echelons of the education sector of Pakistan and has participated in numerous commissions set up by the Government of Pakistan in the fields of education and economics. Since 1967, he has been the Chief Editor of the

monthly Urdu-language magazine Albalagh, and since 1990, he has been the Chief Editor of the monthly English-language magazine Albalagh International. He has also contributed articles to leading Pakistani newspapers on a range of issues. He has authored more than 60 books in Arabic, English, and Urdu.

Justice (Retd.) Muhammad Taqi Usmani graduated from Punjab University, Pakistan, in 1970 and also holds an LL.B. from Karachi University, Pakistan. Prior to these, he completed the Takhassus course, which is the specialization course of Islamic Fiqh and Fatwa (Islamic Jurisprudence), from Jamia Darul Uloom Karachi, Pakistan. In March 2004, His Highness Sheikh Mohammad Bin Rashid Al Maktoum (the then Dubai Crown Prince and UAE Minister of Defense) presented a special award to Justice (Retd.) Muhammad Taqi Usmani in recognition of his lifetime service and achievements in Islamic finance on the occasion of the International Islamic Finance Forum, Dubai, which is one of the biggest events in the Islamic finance industry.

Justice (Retd.) Muhammad Taqi Usmani has served as the Chairman of Meezan Bank's Shariah Board since its inception.

Current Board Memberships

- President and Shaikh-ul-Hadith, Jamia Darul Uloom, Karachi
- President, Wifaq ul Madaris, Pakistan
- Chairman, International Shariah Standard Council set up by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain
- Permanent Member, International Islamic Fiqh Academy, Jeddah, sponsored by the OIC
- Member, Islamic Fiqh Academy of Rabita-al-'Alam-e-Islami, Makkah
- Fellow of the Royal Aal al-Bayt Academy, Jordan
- Chairman, Centre for Islamic Economics, Pakistan, since 1991
- Chairman, Shariah Board, Arif Habib Investments – Pakistan International Islamic Fund, Karachi
- Chairman, Shariah Board, Guidance Financial Group, USA

Awards Received

- Sitara-e-Imtiaz from the Government of Pakistan, 2020
- His Highness King Abdullah (of Jordan) Award (Royal Aal al-Bayt Institute for Islamic Thought, Jordan), 2019
- IDB Prize in Islamic Banking and Finance, 2014
- Lifetime Achievement Award presented by the Islamic Business and Finance Magazine, 2011
- His Highness King Abdullah (of Jordan) Award, Wisamul Istiqlal Award, presented by His Highness King Abdullah of Jordan, 2010
- His Highness Prince Muhammad bin Rashid Aal Maktoum Award, presented on the occasion of the International Islamic Finance Forum in Dubai, 2004

Dr. Muhammad Imran Ashraf Usmani Board Member – Shariah Board

Dr. Mufti Muhammad Imran Ashraf Usmani, son of Justice (Retd.) Mufti Muhammad Taqi Usmani, graduated with specialisation in Islamic Fiqh (Islamic jurisprudence) from Jamia Darul Uloom, Karachi, where he has been teaching Fiqh since 1990. He also holds an LL.B. and a Ph.D. in Islamic finance. He is the Vice President of Jamia Darul Uloom, Karachi.

Presently, he is a member of the Shariah Board at Meezan Bank and oversees research and product development of Islamic banking products, advisory for Shariah-compliant banking, and supervision of Shariah Audit & Compliance. He is also the President and CEO of Usmani & Co. Pvt. Ltd., which provides a full suite of Islamic finance consultancy, Shariah advisory, and related ancillary services to local and international clients across all legal jurisdictions and financial and non-financial sectors.

Dr. Imran Usmani has been engaged with the Government of Pakistan in various initiatives and is also a member of the Steering Committee and Implementation Committee for the promotion of Islamic banking since 2013. He has served as an advisor/member of Shariah Boards of several renowned institutions in various jurisdictions since 1997, including the State Bank of Pakistan, Takaful Pakistan Ltd., Pakistan Mercantile Association, HSBC-Amanah Finance, UBS-Switzerland, Lloyds TSB Bank-UK, Japan Bank for International Cooperation (JBIC), Credit Suisse Switzerland, Royal Bank of Scotland Global, Old Mutual Albarakah Equity & Balanced Funds South Africa, AIG Takaful, ACR ReTakaful Malaysia, Premier Takaful Pakistan, Capitas Group USA, Bank of London and Middle East Kuwait, BMI Bank Bahrain, Al Khaliji Bank Qatar, AIFA Amana Islamic Finance Australia, DCD Group Dubai, Acumen Fund, SWIP SICAVE Fund, Old

Mutual AlBarakah Fund, and other mutual and property funds, Takaful companies, and international Sukuk.

He is also serving as an Executive Committee Member of AAOIFI (Dubai), a member of the Shariah Supervisory Board of the International Islamic Financial Market (IIFM), Bahrain,

and a member of the Academic Board at the Institute of Business Administration (IBA) – Centre for Excellence in Islamic Finance (CEIF), Karachi, and Director at the Centre for Islamic Economics (CIE), Hira Foundation School, and Hira Institute of Emerging Sciences, Karachi.

Board Memberships

- Vice President, Jamia Darul Uloom, Karachi
- CEO, Greens Fin Innovations (Pvt) Ltd.
- CEO & Director, Hira Foundation School
- Director, Centre for Islamic Economics (CIE)
- Faculty Member, Jamia Darul Uloom
- Research Faculty Member, Department of Economics, Karachi University
- President & Founder Trustee, Ihsan Trust
- Academic Committee Chairman / Board Member / Faculty Member, Centre for Excellence in Islamic Finance (CEIF) at IBA
- Chairman, Shariah Board – Raqami Islamic Digital Bank
- Chairman, Shariah Board – NBP Fullerton Asset Management Company (NAFA)
- Shariah Board Member, Al Meezan Mutual Funds
- Chairman, Islamic Index, Pakistan Stock Exchange (PSX)
- Shariah Board Member, AAOIFI Shariah Committee
- Shariah Advisor / Shariah Board Secretary, Guidance Financial Group USA
- Shariah Board Member, Sarasin Bank Switzerland
- Shariah Board Member, AAOIFI, Dubai
- Shariah Board Member, International Islamic Financial Market, Bahrain (IIFM)
- Board Member, International Islamic Rating Agency, Bahrain
- Chairman, Shariah Supervisory Council, Amanah Bank Sri Lanka
- President and CEO, Usmani & Company Pvt. Ltd.
- President and CEO, Usmani & Company Shariah Advisors Pvt. Ltd.

Sheikh Esam Mohamed Ishaq Board Member – Shariah Board

Sheikh Esam Mohamed Ishaq graduated from McGill University, Montreal, Canada. He was born in Bahrain and studied Shariah with a number of Sheikhs in the traditional manner.

He is a member of the Shariah Board of AAOIFI, along with being a member of the High Council of Islamic Affairs of the Government of Bahrain, and holds various Shariah positions in many social, commercial, and educational institutions. Currently, he also teaches Fiqh, Aqeeda, and Tafseer

courses in various centres of Islamic Studies, supervised by the Ministry of Islamic Affairs in Bahrain.

Furthermore, he is Chairman of the Muslim Educational Society and Vice Chairman & Shariah Advisor for Discover Islam Centre. Previously, he was also a member of the Board of Trustees of Al-Iman Islamic Schools, Bahrain.

He has served as a member of the Shariah Board since the inception of Meezan Bank.

Current Board Memberships

- The Shariah Board of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain
- The Shariah Council of the Maldives Monetary Authority (MMA), Maldives
- The Shariah Panel of International Islamic Financial Market (IIFM), Bahrain
- In addition to membership of the Shariah Supervisory Boards of a number of local, regional and international Islamic Financial Institutions (IFIs), he is the Chairman of Shariah Supervisory Boards of the following IFIs:
 - The Family Bank for Microfinance, Bahrain
 - Islamic Bank of Guinea, Africa
 - Investment Dar Bank, Bahrain
 - Eco Islamic Bank, Kyrgyzstan
 - Al Baraka Islamic Bank, Pakistan

Mufti Muhammad Naveed Alam Resident Shariah Board Member

Mufti Muhammad Naveed Alam holds an MS in Islamic Banking and Finance from IBA Karachi and Shahadat ul Alamiyah and Takhassus (specialization in Islamic Jurisprudence and Fatwa) from Jamia Darul Uloom, Karachi. He is also a Certified Shariah Advisor & Auditor (CSAA) from the Accounting and Auditing Organization for Islamic

Financial Institutions (AAOIFI). He joined Meezan Bank in 2013 as a member of the Shariah Compliance Department of the Bank.

He is an active teacher/trainer at the Centre for Excellence in Islamic Finance (CEIF) of the Institute of Business

Administration (IBA), Karachi, the Centre of Islamic Economics (CIE) of Jamia Darul Uloom, Karachi, as well as several other renowned universities. Prior to joining as RSBM, he served as Shariah Advisor of Premier Window

Takaful Operations and also as Shariah Coordinator at the Indus Hospital & Health Network. He has been serving as the Resident Member of Meezan Bank's Shariah Board since October 1, 2018.

Mufti Zubair Ahmed Member – Shariah Board

Mufti Zubair Ahmed completed his Dars-e-Nizami from Jamia Darul Uloom Karachi. He has also completed a three-year Takhassus fil Ifta course from Jamia Darul Uloom Karachi. He is a gold medalist from the Institute of Business Management, which he secured during his Master of Business Administration in Banking and Finance. He is also a Certified Shariah Advisor and Auditor from AAOIFI (Bahrain).

He is a Certified Professional Trainer from the International Association for People and Performance Development

(IAPPD) UK. He is also registered with the Securities and Exchange Commission of Pakistan as a Shariah Advisor and has advised various corporates for the issuance of numerous short-term Sukuk.

He is currently also associated with Kiran Foundation and Moawin Foundation as a Shariah Advisor for Zakat-related matters.

First-Ever Green Sukuk Issuance of Pakistan

During the year 2025, Pakistan issued its first sovereign domestic Green Sukuk creating a new asset class for Investors who wish to invest in Shariah-compliant ethical investment products. It is the first time that at a sovereign level, an instrument was issued for funding of specific Government projects creating a direct impact and paving way for a greater financial discipline.

Meezan Bank has played an instrumental role in the issuance of Pakistan's first-ever Sovereign Green Sukuk and laying the foundations for issuance of future sustainable instruments by Government of Pakistan.

Terms of Reference of Shariah Board

Definition of Shariah Board

- A Shariah Board (SB) is an independent body of specialized jurists in fiqh almua'malat (Islamic commercial jurisprudence). Islamic Banking Institutions (IBIs) may, in consultation with the SB, also seek services of or engage lawyers, accountants, economists and such other professionals to assist and advise the SB on banking, legal, financial, economic and other relevant matters. The engagement of such members shall however be of advisory nature and they shall not have any voting rights in the meetings of the SB. The Shariah Board is entrusted with the duty of directing, reviewing and supervising the activities of the Islamic financial institution in order to ensure that they are in compliance with Islamic Shariah Rules and Principles. The fatwas, and rulings of the Shariah Board are binding on the Bank.
- Shariah Board would be appointed by the Board of Directors in line with State Bank of Pakistan's directives.

Composition, Selection and Dismissal of Shariah Board

- The Shariah Board shall consist of at least THREE members including the in-house Resident Shariah Board Member (RSBM). The Shariah Board may seek the service of consultants who have expertise in Shariah, business, economics, law, accounting and/or others. The Shariah Board should not include directors or significant shareholders of the Bank. However, at least two members of Shariah Board (other than RSBM) must be unique members and shall not be a part of any IBI in Pakistan.
- Any member can resign from his membership by giving a written notice of at least three months to the Board of Directors, the copy of which will be submitted to Islamic Banking Department - State Bank of Pakistan (IBD-SBP).

Functions of the Shariah Board

- The SB will review, revise, and modify, when necessary, all standard and other agreements of Islamic modes of finance, as and when used by the Bank, whether with the Bank's clients, shareholders or others.
- The SB shall supervise the Shariah review of the Bank through RSBM and will also guide the Shariah Compliance team of the Bank. SB or RSBM has a right to conduct spot Shariah reviews of the Bank's operation at their sole discretion.
- The RSBM, through the Shariah Compliance Department, shall ensure the implementation of guidelines of SB/RSBM in the Bank.
- SB or any of its members may represent the Bank in various Islamic Finance Conferences, Symposia, and/or Conventions, if and when necessary, which shall not be a conflict of interest.
- The Quorum of SB meeting including that with BOD of the Bank, is at least two-third of members of SB and all SB rulings are majority-based decisions by any properly minuted and logged meeting of the SB.
- Rulings of the SB are arrived at by voting. However, in case of difference of opinion, the decisions may be made by a majority vote of the SB members. In the event of equality of votes, the Chairperson shall have a second or casting vote.
- The SB ordinarily holds at least 4 quarterly meetings every financial year. It may hold an extra-ordinary meeting if and when required by the Bank/Chairman of SB.
- The SB has a right to review and modify its former rulings on the basis of factors including but not limited to Internal Shariah Audit Report, Shariah Compliance Review, new findings/developments in industry, etc.
- Dates of SB meetings will be finalized by mutual consent of the members and normally each meeting will fix the date of next meeting.
- All meetings shall be chaired by the Chairperson of the SB and in his absence one of the Shariah Scholar members, other than the RSBM, shall be elected as the acting Chairperson to preside over the meeting.
- The agenda of the SB meeting along with sufficient details and documents shall be sent to SB members five days before the meeting to allow them to come prepared to the meeting; the specific timelines shall be set by the SB itself.
- The SB shall ensure that minutes of its meetings are properly recorded, incorporating necessary details of all decisions, rulings and fatwa issued along with the rationale and difference of opinion or dissenting note, if any. Further, the minutes shall be signed by all the SB members who attended the meeting and a copy thereof be provided to each member of SB.
- Any regulations pertaining to Governance of Shariah Board, issued by Islamic Banking Department of State Bank of Pakistan, will become part of this TOR as and when such regulation becomes applicable.

Name of Shariah Board Member

No. of Meetings Attended

Justice (Retd.) Muhammad Taqi Usmani	2
Dr. Muhammad Imran Ashraf Usmani	4
Sheikh Esam Mohamed Ishaq	3
Mufti Muhammad Naveed Alam	4
Mufti Zubair Ahmed	4

Board Committees

Board Human Resources, Remuneration & Compensation Committee

Mr. Riyadh S.A.A. Edrees (Chairman), Non-Executive Director
Mr. Mohammad Abdul Aleem, Independent Director
Ms. Nausheen Ahmad, Independent Director
Mr. Abdulrazzaq T.A.M. Razooqi, Independent Director
Mr. Irfan Siddiqui, Non-Executive Director

Terms of Reference

The Board Human Resources, Remuneration & Compensation Committee (BHRR&CC) ensures that the Bank manages its human resources in light of the best practices of the industry. It reviews and recommends human resource management policies to the Board of Directors including but not limited to remuneration practices defined by the State Bank of Pakistan, the selection, evaluation, compensation (including retirement benefits), succession planning as well as the recommendation of structure of compensation package of Executive Director, President & CEO, Key Executives and of any other employee(s) along with ensuring implementation of the same. The BHRR&CC also monitors the training activities, utilization and implementation of training & development budget and policy of the Bank. Furthermore, the Committee evaluates sustainability risks, ESG considerations, including initiatives, and measures undertaken for Persons with Disabilities (PWDs) and their financial implications, submitting annual progress reports to the Board.

Board Risk Management Committee

Mr. Saad Ur Rahman Khan (Chairman), Non-Executive Director
Mr. Bader H.A.M.A. AlRabiah, Non-Executive Director
Mr. Zine Elabidine Bachiri, Non-Executive Director
Mr. Abdulrazzaq T.A.M. Razooqi, Independent Director

Terms of Reference

The Board Risk Management Committee (BRMC) is responsible for assessing the Bank's policies on all major risk categories including credit, market, liquidity and operational risk as well as the adequacy of the risk management function of the Bank. The BRMC reviews adequacy of the Bank's capital in accordance with laid down rules and regulations as per Basel Accord. It also reviews the techniques developed and implemented to measure the Bank's risk exposure. Its responsibilities include evaluation of the risk profile and appetite of the Bank and ensuring that systems are in place for monitoring overall risk of the Bank. The BRMC reviews exception reports highlighting deviations from the approved policies as well as deliberates upon risk related reports including Shariah non-compliance and early warning signals of potential risks emerging from Bank's activities.

Board Audit Committee

Mr. Mohammad Abdul Aleem (Chairman), Independent Director
Mr. Tariq Mahmood Pasha, Non-Executive Director
Mr. Saad Ur Rahman Khan, Non-Executive Director
Mr. Abdulrazzaq T.A.M. Razooqi, Independent Director
Mr. Irfan Siddiqui, Non-Executive Director

Terms of Reference

The Board Audit Committee (BAC) is responsible for determining appropriate measures to safeguard the Bank's assets; reviewing quarterly, half-yearly and annual financial statements; reviewing management letters/assurance reports issued by external auditors and management's response thereto; reviewing and implementing the scope, extent and plan of internal audit/Shariah audit; reviewing the internal audit strategy; considering major findings, internal investigations of activities characterized by fraud, corruption and abuse of power, SBP inspection/supervisory assessment findings and management's response thereto; ascertaining that the internal control systems are adequate and effective; determining compliance with relevant statutory requirements; addressing audit observations; monitoring compliance with the best practices of corporate governance and overseeing the implementation of Internal Controls over Financial Reporting (ICFR) program across the Bank, reviewing the effectiveness of whistleblowing procedures; ensure the effectiveness of overall management of compliance and AML risk; and considering any other issues or matters as may be assigned by the Board of Directors.

Board Information Technology Committee

Mr. Saad Ur Rahman Khan (Chairman), Non-Executive Director
Mr. Riyadh S.A.A. Edrees, Non-Executive Director
Mr. Bader H.A.M.A. AlRabiah, Non-Executive Director
Mr. Irfan Siddiqui, Non-Executive Director

Terms of Reference

The Board Information Technology Committee (BITC) advises and reports to the Board on the status of technology activities and digital initiatives. It periodically reviews IT and digital strategies, as well as relevant policies, in light of major technological and regulatory developments, and makes recommendations to the Board of Directors. The BITC ensures that risk management strategies are designed and implemented to achieve resilience, enabling the Bank to respond effectively to large-scale disruptions, including cyber-attacks. The Committee receives periodic updates from the IT Steering Committee to monitor major technology-related projects and ensures that technology procurements align with the IT strategy. It also approves cloud-based outsourcing arrangements in accordance with the policy approved by the Board. If deemed necessary, the Committee seeks expert opinions from independent sources, with the quorum comprising any two members.

Board IFRS 9 Committee

Mr. Riyadh S.A.A. Edrees (Chairman), Non-Executive Director

Mr. Faisal Fahad AIMuzaini, Non-Executive Director

Mr Tariq Mahmood Pasha, Non-Executive Director

Terms of Reference

The Committee is responsible for reviewing Expected Credit Loss (ECL) numbers on a quarterly basis, assessing and ratifying any updates or changes to the ECL models, evaluating and recommending amendments to the ECL Policy for Board approval and reviewing exceptions to the ECL Policy.

Dates and Attendance of Board Committees Meeting held during the period from January 1, 2025 to December 31, 2025

Name of Director	Board Human Resources, Remuneration & Compensation Committee				Board Risk Management Committee				Board Audit Committee				Board IT Committee				Board IFRS 9 Committee			
	06-Feb	16-Apr	06-Aug	16-Oct	10-Feb	17-Apr	07-Aug	20-Oct	11-Feb	18-Apr	11-Aug	21-Oct	04-Feb	15-Apr	05-Aug	15-Oct	06-Feb	16-Apr	05-Aug	16-Oct
Mr. Riyadh S.A.A. Edrees	P	P	P	P	-	-	-	-	-	-	-	-	P	P	L	P	P	P	P	P
Mr. Bader H.A.M.A. AlRabiah ¹	-	-	-	-	P	L	P	P	-	-	-	-	N/A	L	L	P	-	-	-	-
Mr. Tariq Mahmood Pasha	-	-	-	-	-	-	-	-	P	P	P	P	-	-	-	-	-	-	-	-
Mr. Irfan Siddiqui	-	-	-	-	-	-	-	-	-	-	-	-	P	P	P	P	P	P	P	P
Mr. Saad Ur Rahman Khan	-	-	-	-	P	P	P	P	P	P	P	P	P	P	P	P	-	-	-	-
Mr. Faisal Fahad AIMuzaini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	P	P	P	L
Mr. Zine Elabidine Bachiri ²	-	-	-	-	N/A	P	L	P	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Abdulrazzaq T.A.M. Razooqi ³	-	-	-	-	N/A	P	P	P	N/A	P	P	P	-	-	-	-	-	-	-	-
Mr. Mohammad Abdul Aleem	P	P	P	P	-	-	-	-	P	P	P	P	-	-	-	-	-	-	-	-
Ms. Nausheen Ahmad	-	-	-	-	N/A	P	P	P	N/A	P	P	P	-	-	-	-	-	-	-	-

Notes:

¹Mr. Bader H.A.M.A. AlRabiah was appointed as member of Board IT Committee on February 13, 2025.

²Mr. Zine Elabidine Bachiri was appointed as member of Board Risk Management Committee on February 13, 2025.

³Mr. Abdulrazzaq T.A.M. Razooqi was appointed as member of Board Risk Management Committee and Board Audit Committee on February 13, 2025.

⁴Leave of Absence was granted.

N/A= Not Applicable

Management Committees

Asset Liability Management Committee

President & CEO – Chairman
Chief Financial Officer
CRO & Group Head Risk Management
Chief Operating Officer – Wholesale Banking
Chief Operating Officer – Retail Banking
Group Head Treasury & Capital Markets
Group Head Consumer Finance

Terms of Reference

The Asset Liability Management Committee (ALCO) is responsible for reviewing the Asset and Liability structure of the Bank, transfer pricing, monitoring the liquidity situation, evaluating asset classes and taking decisions with regards to risks and rewards associated with purchasing and selling of these assets. Market and liquidity risks are examined based on stress testing exercises and gap analysis while considering the overall economic environment of the country. The ALCO is also responsible for monitoring policy rate movements and taking necessary steps across all assets and liabilities to ensure that the overall profitability of the Bank is maximized. This is mainly performed by alterations in the profit rates offered across different deposit products. It is also responsible for ensuring that the Bank's overall operations are fully compliant with regulatory framework for the business as provided by the State Bank of Pakistan.

Business Continuity Steering Committee

President and CEO – Chairman
Chief Operating Officer – Retail Banking
CRO & Group Head Risk Management
Group Head Human Resources, Learning & Organizational Development
Group Head Information Technology
Group Head General Services and Customer Support
Chief Compliance Officer
Head of Security & Government Relations
Chief Information Security Officer (CISO)
Manager – IT Disaster Recovery
Head Enterprise Risk Management and Business Continuity Planning

Terms of Reference

The Business Continuity Steering Committee (BCSC) is responsible for ensuring that adequate business continuity/disaster recovery plans are prepared, funded, tested and that decision making authority in the event of a crisis is clearly defined. The BCSC reviews and recommends Business Continuity Plan for approval of the Board. It facilitates in execution of Business Continuity Plan as and when invoked and in resumption of critical business activities. BCSC steers BCP project(s) and their implementation and provides guidance on project direction to ensure that organizational requirements are met. It is also responsible for reviewing the findings of mock drills / actual disasters and facilitating in removal of identified gaps.

Credit Risk Management Committee

President & CEO – Chairman
Chief Operating Officer – Wholesale Banking
CRO & Group Head Risk Management
Group Head Corporate Investment Banking & Shariah Advisory
Chief Financial Officer
Group Head Treasury & Capital Markets
Head Credit Risk

Terms of Reference

The Credit Risk Management Committee (CRMC) is responsible for overseeing credit risk activities on Bank-wide basis while ensuring compliance with regulatory requirements and internal policies. The CRMC's responsibilities also include providing support and guiding front lines in managing their businesses, performing finance portfolio review, establishing financing standards and benchmarks, maintaining adequate industry diversification and deciding upon provisioning. It is also required for delegating financing approving powers and prudential limits on large financing exposures.

Disciplinary Action Committee - Branch Banking

Group Head Human Resources, Learning & Organizational Development – Chairman
Chief Operating Officer – Retail Banking
Chief Operating Officer – Wholesale Banking
Group Head Internal Audit & Business Risk Review (Special Invitee)

Terms of Reference

The Disciplinary Action Committee for Branch Banking (DAC-BB) is responsible for addressing employee misconduct at the branch, area, regional, and hub levels. This includes investigating and taking appropriate action for policy violations, acts of fraud and forgery, breaches of discipline and code of conduct, ethical and business practice violations, and non-compliance with the law of the land or statutory regulations of the State Bank of Pakistan.

Disciplinary Action Committee - Head Office

CRO & Group Head Risk Management – Chairman
Group Head Human Resources, Learning & Organizational Development
General Manager Compliance
Group Head Internal Audit & Business Risk Review (Special Invitee)

Terms of Reference

The Disciplinary Action Committee for Head Office (DAC-HO) is responsible for addressing employee misconduct at Head Office functions. This includes investigating and taking appropriate action for policy violations, acts of fraud and forgery, breaches of discipline and code of conduct, ethical and business practice violations, and non-compliance with the law of the land or statutory regulations of the State Bank of Pakistan.

Disciplinary Action Review Committee

President & CEO – Chairman
Company Secretary
Head Legal Affairs

Terms of Reference

The Disciplinary Action Review Committee (DARC) is responsible for reviewing appeals from staff members who have undergone disciplinary action by the Disciplinary Action Committee (DAC). The Committee is committed to conducting a thorough and independent re-evaluation of each appeal, ensuring a comprehensive review of DAC decisions.

Compliance & Operational Risk Management Committee

President & CEO – Chairman
Chief Financial Officer
Group Head Information Technology
Chief Operating Officer – Retail Banking
Head Shariah Compliance
CRO & Group Head Risk Management
Group Head Human Resources, Learning & Organizational Development
Chief Compliance Officer
Head Enterprise Risk Management and Business Continuity Planning

IT Steering Committee

President & CEO – Chairman
Group Head Information Technology
Chief Operating Officer – Retail Banking
Chief Operating Officer – Wholesale Banking
CRO & Group Head Risk Management
Chief Compliance Officer
Group Head Consumer Finance
Chief Digital Officer & General Manager Digital Banking
Manager Information Security

Investment Review Committee

President & CEO – Chairman
CRO & Group Head Risk Management
Chief Financial Officer

Service Board

President & CEO – Chairman
Chief Operating Officer – Retail Banking
Group Head Customer Support & General Services
Group Head Information Technology
Group Head Consumer Finance
Group Head Human Resources, Learning & Organizational Development
Chief Digital Officer & General Manager Digital Banking
Chief Compliance Officer
Distribution Heads North, Central I, Central II & South
General Manager Operations
Head Service Quality
Senior Implementation Manager – Invitee
Unit Head Service Analytics & Customer Insights

IFRS 9 Management Committee

President & CEO – Chairman
Chief Financial Officer
CRO & Group Head Risk Management
Chief Operating Officer – Wholesale Banking

Terms of Reference

The Compliance & Operational Risk Management Committee (CORMC) is responsible for overseeing compliance risk by reviewing the adequacy of controls in place to meet regulatory requirements. The Committee is responsible for promoting compliance culture in the Bank, facilitate implementation of Compliance Program and oversee Money Laundering, Financing Terrorism and Proliferation Financing risk. In addition, the Committee also oversees Operational Risk Framework by ensuring that policies and procedures are in place in all key risk areas and by reviewing Key Risk Indicators. The Committee also monitors level of compliance of issues pointed out in the Internal Audit Reports, SBP Inspection Reports and reports of Internal Shariah Audit and Shariah Compliance Department.

Terms of Reference

The IT Steering Committee (ITSC) is responsible for assisting Senior Management in implementing IT and digital strategies approved by the Board of Directors and for playing an advisory role to Senior Management in all technology-related matters. The ITSC monitors the implementation of technology-related projects, ensuring that IT procurement is aligned with the business plan. It ensures that outsourcing to Cloud Service Providers (CSPs) is conducted in line with the Service Level Agreement (SLA). Further, it oversees adherence to regulatory and performance requirements for cloud services, including SLAs, the review of KPIs and KRIs, incidents (including cybersecurity incidents), and other relevant matters. It also ensures an efficient IT operating environment that supports the institution's goals and objectives. The ITSC may also review and determine the adequacy of training plan(s), including those related to significant incidents, major risks, and breaches submitted by Information Security. The ITSC may further review the status of projects assigned to the PMO on a periodic basis.

Terms of Reference

The Investment Review Committee is responsible for ensuring that the Bank's investments in listed equity securities are made in compliance with: (i) the Bank's Investment Policy; (ii) limits prescribed under Prudential Regulations issued by the State Bank of Pakistan; and (iii) directives of the Bank's Shariah Board. The Committee also reviews the performance of the equity investment portfolio through regular meetings and discussions in which members review existing investments and future strategies in line with the Investment Policy and market dynamics.

Terms of Reference

The purpose of the Service Board is to oversee and monitor the performance of all departments in providing better services to external as well as internal customers of the Bank. The Service Board is the main decision-making body for addressing service gaps and improving the Bank's service quality.

Terms of Reference

The Committee is responsible for ensuring compliance with the requirements of SBP in respect of IFRS 9 implementation. It is also responsible for performing initial diagnostic and quantitative impact analysis to determine gaps and develop transition plan for the application of IFRS 9. The Committee is required to inform the Board/Board IFRS 9 Implementation Oversight Committee about the progress made and key issues that need to be addressed and for developing appropriate staffing and training strategies, collect data and other risk inputs, assess existing infrastructure and provide recommendations on the required changes or upgrades and monitor progress against defined timelines.

Best Corporate Governance Practices

Governance practices positively impact long-term corporate performance and therefore, the Bank is careful about their implementation. The Bank has a system in place to ensure that it is fully compliant to all the legal requirements for e.g. Company Secretary's Office itself ensures that all the relevant regulatory requirements are complied with within the given deadlines. Furthermore, a dedicated Compliance Department is also functional which remains in contact with the regulators as well as with the internal departments to ensure timely compliance with the legal requirements. The Bank's Best Corporate Governance Practices include the following:

Build A Strong, Qualified Board of Directors and Evaluate Performance

The Board comprises of Directors who are knowledgeable and have expertise relevant to the business, are qualified and competent, and have strong ethics and integrity, diverse backgrounds and skill sets. Further, as per regulatory requirement, the Board performance is evaluated periodically.

Define Roles and Responsibilities

The Board establishes clear lines of roles and responsibilities among the Directors, Chairman and CEO.

Emphasize Integrity and Ethical Dealing

The Directors declare conflicts of interest and refrain from voting on matters in which they have an interest. The Bank has adopted a Conflict of Interest Policy, a Code of Business Conduct that sets out the Bank's requirements and a Whistle-blowing Policy.

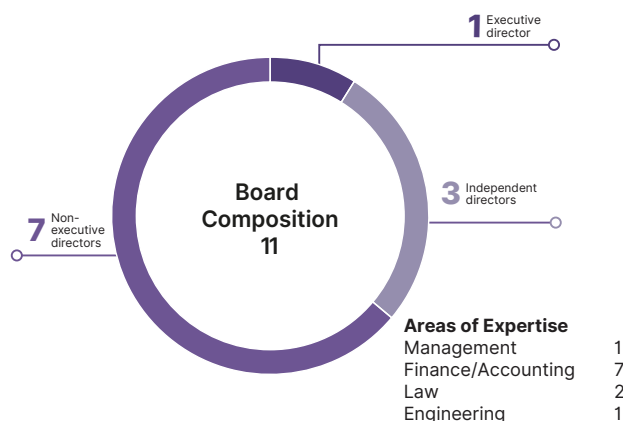
Formation of Various Board Committees

The Board of Directors has constituted various sub-committees, namely Board Audit Committee, Board Human Resources, Remuneration and Compensation Committee, Board Risk Management Committee, Board IT Committee and Board IFRS 9 Committee to manage the relevant areas and to give their recommendations to the Board. The TORs of these Committees are approved by the Board of Directors.

Engage in Effective Risk Management

The Board has established its sub-committees, who regularly identify and assess the risks including financial, operational, reputational, environmental, industry-related and legal risks.

Board Composition



Category	Names of Directors
Non-Executive Directors	Mr. Riyadh S.A.A. Edrees – Chairman
	Mr. Bader H.A.M.A. AlRabiah – Vice Chairman
	Mr. Tariq Mahmood Pasha
	Mr. Irfan Siddiqui
	*Mr. Saad Ur Rahman Khan
	*Mr. Faisal Fahad AlMuzaini
Independent Directors	*Mr. Zine Elabidine Bachiri
	Mr. Abdulrazzaq T.A.M Razooqi
	Mr. Mohammad Abdul Aleem
Executive Director	Ms. Nausheen Ahmad (Female Director)
	Dr. Syed Amir Ali – President & CEO

**Note: Board & Committee Meeting fee of these Board Members is paid to their nominating institution.*

Directors' Profiles and their Involvement / Engagement in Other Companies

This information has been incorporated in the Directors' profiles.

Independent Directors

The Board has three (3) Independent Directors who meet the criteria of independence under Companies Act 2017 and the directive issued by the State Bank of Pakistan.

Representation of Female Director on Board

Ms. Nausheen Ahmad is the female Director on the Board.

Non-Executive Directors

At present all Directors on the Board are non-executives except the President & CEO.

Security Clearance of Foreign Directors

Security clearance of Foreign Directors is initially done by the sponsor shareholders being their nominee directors. Subsequently Meezan Bank conducts verification as per FPT requirements. Finally it is carried out by the Regulators as per law / regulatory requirements, as their appointment is subject to clearance by the Regulators.

Payment of Directors' Remuneration

As per Policy, the Board of Directors shall, from time to time, determine & recommend remuneration of the Non-Executive Directors (Chairman, Vice Chairman and members of the Board) for attending Board/Committees Meetings, for approval by the shareholders on a pre or post facto basis in the Annual General Meeting (AGM) / Extraordinary General Meeting (EOGM) as per State Bank of Pakistan Corporate Governance Regulatory Framework (CGRF).

Details of Board Meetings Held Outside Pakistan

A total of four meetings were held during the year 2025, and all were held in Pakistan.

Board Diversity & Independence

Board diversity exists in expertise, knowledge and age. Chairman and CEO are separate roles. No director serves on the Board of more than seven listed companies.

Performance Evaluation of the Board of Directors

The Board of Directors of Meezan Bank sets the Bank's strategic direction and ensures that the organization stays true to this direction - enabling it to achieve its long-term objectives while ensuring regulatory compliance. To discharge its fiduciary responsibility of safeguarding the stakeholders' interests, the Board of Directors has developed criteria for its performance evaluation as required by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

The Board of Directors discusses strategic objectives, budgetary expenses and projected national and international macroeconomic indicators to ensure that the Bank's business strategy stays aligned with macroeconomic indicators. The Board of Directors and its sub committees are competent and experienced, representing diversified educational and vocational backgrounds which are invaluable in determining the overall direction of the organization.

As per the guidelines issued by the State Bank of Pakistan, the Board decided to opt for an in-house approach with quantitative technique; and accordingly evaluated performance of overall Board, Board Committees and individual Board Members as per the following categories:

- Complete Board
- Chairman
- Individual Directors
- Independent Directors
- Chief Executive Officer
- Board Committees

Performance Evaluation by External Consultant

Evaluation of Board of Directors is conducted annually as per the State Bank of Pakistan's requirement. Furthermore, SBP Guidelines also require that at least once in every three years, the evaluation should be conducted by an external independent evaluator. The Bank engages an independent evaluator to conduct the Board's evaluation once in every three years as per regulatory requirement.

Criteria for Performance Evaluation

The Board of Directors, while ensuring regulatory compliance, is also vested with fiduciary responsibility on behalf of the shareholders to protect the Bank's interests, provide strategic direction and monitor the achievement of strategic objectives. The Companies Act 2017, Banking Companies Ordinance 1962, SBP's Corporate Governance Regulatory Framework (CGRF) and Listed Companies (Code of Corporate Governance) Regulations 2019 describe the role of Board of Directors along with its responsibilities and functions.

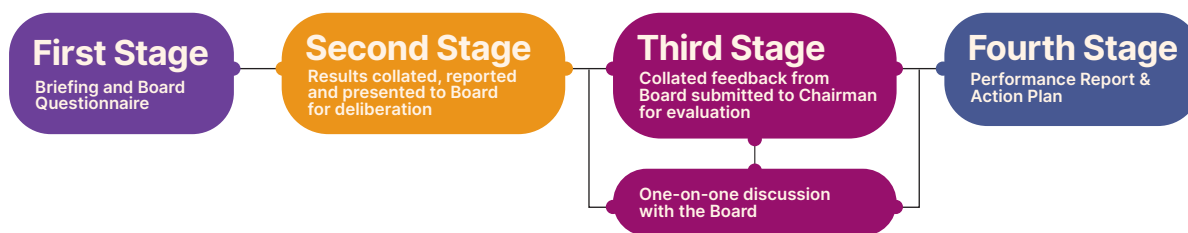
To comply with the regulatory requirement, the Board, in the year 2014, put in place an effective mechanism for Board Evaluation. All individual Board members answer a comprehensive questionnaire focused on evaluating, from various angles, whether the Board has discharged its duties diligently and with foresight. A committee of Directors is designated to collate individual responses and present them to the Board for deliberation and discussion. As per process, the responses / feedback from the Directors on each of the above-mentioned categories is compiled and submitted to

the Chairman. The Chairman discusses the results / findings with each individual Board Member. The authorized Independent Directors communicate the feedback in respect of the Chairman for incorporation in the consolidated Performance Report.

Accordingly, the analysis comprises of consolidated evaluation results and Action Plan forwarded by the Chairman to further strengthen comparatively weaker areas and is submitted to the Board of Directors for consideration in its meeting.

This exercise in critical self-assessment allows the Board to evaluate its performance and overall effectiveness in setting strategies, devising control processes, reading market trends by monitoring micro and macroeconomic factors, and responding to adverse unforeseen situations to further the cause of a learning organization. This process also ensures that the Board is constantly growing intellectually and the responsibility of steering the Bank to new heights of success is discharged effectively and efficiently.

Board Evaluation Process



Induction and Training of Directors

The Bank places keen focus on regular trainings regarding updates in law/regulations for the Directors. In addition, Shariah training is also arranged for the Directors as per the State Bank of Pakistan's 'Shariah Governance Framework for Islamic Banking Institutions'. In compliance to SBP Corporate Governance Regulatory Framework (CGRF), Board is regularly updated about any change in law/regulations.

Members of Meezan Bank's Board are experienced and qualified professionals who bring a diverse range of professional and technical expertise to the organization.

Directors Training Program (DTP)

As required under the Code of Corporate Governance, currently 80% of the members of the Board are duly certified under the Directors' Training Program (DTP), while the remaining 20% of the Directors will complete the training shortly.

Roles and Responsibilities

Roles and Responsibilities of the Board of Directors

The Board of Directors is involved in strategic level decisions to establish and review the strategies and medium to long-term goals of the Bank, overseeing the business and affairs of the Bank in light of emerging risks and opportunities. The Management of the Bank is responsible for managing day-to-day business affairs in an effective and ethical manner in conformity with the strategies and goals approved by the Board and to identify and manage the principal risks and opportunities which could impact the Bank in the course of carrying out its business. It is also the responsibility of the Management, with the oversight of the Board and its sub-committees, to produce financial statements that fairly present the financial conditions and results of operations of the Bank in accordance with applicable accounting standards and to make timely disclosures to investors as required under regulatory requirements. Further, the Management also stays aware of the business and competitive environment and develops strategies to maintain the Bank's competitive business edge.

Roles and Responsibilities of the Chairman

The Chairman of the Board of Directors ensures that the organization keeps true to its long-term Vision. Responsible for leadership of the Board, the Chairman ensures that the Board plays an effective role in fulfilling all its responsibilities. The role entails the following:

Chairman

- All members of the Board may participate in all meetings and have the opportunity to express their opinion.
- Dissent of Directors, if any, is properly recorded in the minutes.
- Minutes truly reflect what transpired during the meeting.
- The Board discharges its role effectively and swiftly in line with regulatory requirements.
- The Board sub-committees perform their designated functions with due diligence.

Roles and Responsibilities of the President & CEO

The President & CEO's role constitutes an absolutely engaged position, demanding complete involvement and shepherding of the organization. The role entails the following:

President & CEO

- Provide an enabling environment within the Bank to facilitate promulgation of a culture of Shariah compliance.
- Ensure execution of the strategy developed by the Board.
- Ensure that the Bank maintains its business position and brand image as the leading Islamic Bank of the country.
- Efficiently allocate and manage organizational resources and budgets to ensure achievement of short and medium term objectives that contribute to the attainment of the long-term strategic goals.
- Establish a system of checks and controls to supplement the fast-paced growth of the Bank.
- Provide liaison between the Board and the Bank's management to ensure alignment of managerial efforts with Board's directives.
- Foster a culture of professionalism and high ethical standards within the Bank.
- Facilitate an organizational culture of development of innovative products and services to meet the growing needs of a diverse range of customers.

Role of Shariah Board

The Shariah Board (SB) is entrusted with the duty of directing, reviewing and supervising the activities of the Bank in order to ensure that they are in compliance with the rules and principles of Shariah. All products and services of the Bank are launched with the approval of the Shariah Board whose role also entails the following:

Shariah Board

- To develop a comprehensive Shariah compliance framework for all areas of operations of the Bank that serves as a guiding principle to the Bank for maintaining its commitment towards adherence to principles of Shariah.
- Ensure Shariah compliance of all aspects of the Bank by virtue of having unhindered access to all books of accounts, records and documents.
- Guide and direct the Bank through rigorous deliberation on issues placed before the Shariah Board.
- Monitor the Shariah compliance of the Bank through Shariah Audit and Shariah compliance reviews and prescribe appropriate enforcements whenever needed.

Performance Review of the President & CEO

The President & CEO of Meezan Bank is responsible for supervising and leading the strategic and managerial affairs of the Bank. Various elements of the President & CEO's performance are monitored continuously and discussed periodically by the Board. As leader of the organization and executor of the strategy approved by the Board to further the interests of all stakeholders of the Bank, the President & CEO is evaluated on parameters such as financial performance and profitability, budget allocation and utilization of resources, organizational expansion, sustainability of product lines, credit ratings and inculcation of the desired organizational culture which is conducive to professional and ethical excellence.

Election of the Board of Directors

Procedures for Appointment

Election And Removal of Directors

There are formal, considered and transparent procedures for nominating candidates to stand for election as directors. The process of composition of the Board is ongoing to ensure that the Board retains its effectiveness at all times. Directors are subject to re-election / re-appointment at regular intervals defined under the relevant laws and regulations.

The sponsor shareholders of Meezan Bank nominate Directors on the Board as per their respective shareholding. The Independent Directors also file their nomination and are elected as per law. Minority shareholders are also given the right to participate in election as per law.

The Board of Directors fixes the number of Directors for the next term of the Board, 35 days before election of the Board as per Companies Act 2017.

Election of Directors is held as per law and all regulatory requirements are complied with.

Appointment and Election of Directors

Election of Directors at the General Meetings

According to Companies Act, 2017, at General Meeting, the shareholders entitled to vote for the election of directors must elect a Board for a term of three years, consisting of the number of directors for the time being set, as per provisions of Companies Act.

All of the directors cease to hold office immediately before such election, but are eligible for re-election.

Directors May Fill Casual Vacancies

Any casual vacancy on the Board may be filled by the Directors and the person so appointed shall hold office for the remainder of the term of the Director in whose place he/she is appointed.

Information on the Directorship Candidates

To enable shareholders to make an informed decision on their election at a General Meeting, names of all candidates submitted for election or re-election as a director are set out in a Notice sent to shareholders prior to the meeting, as per Companies Act, 2017 and also placed on the Bank's website as per regulatory requirement.

Removal of Directors

Removal of Director by Shareholders

Shareholders may remove any director by a resolution in General Meeting, as per section 163 of the Companies Act 2017.

Resignation / Removal of Director by Board

The Board may remove any Director before the expiry of his or her term of office, or the Director may resign on his / her own, if the Director ceases to be qualified to act as a Director of a company as per Companies Act 2017 and the Board may appoint a Director to fill the resulting casual vacancy as per Companies Act 2017.

Other Matters Related to Corporate Governance

Strategic Direction of the Bank

The Board of Directors provides strategic direction to the Bank by formulating and approving its overall strategies and policies. The Board further ensures effective oversight by monitoring the implementation of these strategies and policies by the President & CEO and the Management team, thereby safeguarding the Bank's long-term objectives, sound governance, and sustainable growth.

Responsibility towards members of the Board of Directors

At the commencement of each Board term, the Chairman of the Board of Directors issues a formal letter as per Listed Companies Code of Corporate Governance Regulations, 2019, to each Director outlining their roles, duties, and responsibilities in accordance with the Companies Act, 2017 and the Bank's Articles of Association. The letter also specifies the Directors' remuneration and other applicable entitlements.

Meeting of the Board of Directors and General Meeting

Besides convening and presiding over meetings of the Board of Directors and General Meetings, setting the agenda for such meetings, and ensuring that all significant matters are presented to the Board in a timely, complete, and accurate manner, the Chairman also ensures that adequate time is allocated to each agenda item and that proper minutes of the meetings are maintained in accordance with the requirements of the Companies Act, 2017.

Dividend Declaration and Payment

The Bank is committed to maximizing shareholders' returns through the payment of dividends, while ensuring full compliance with the applicable regulatory framework. The declaration, approval, and distribution of dividends are carried out in accordance with relevant laws and regulations.

The annual dividend is approved by the shareholders at the Annual General Meeting (AGM) based on the recommendation of the Board of Directors. The Board recommends the dividend after due consideration and approval of the Bank's financial statements, which are first reviewed by the Board Audit Committee prior to submission to the Board. All requisite approvals and regulatory clearances, where applicable, are obtained before the declaration of any dividend.

Key Aspects of the Dividend Process

- **Shareholders' Register**
The Bank, through its appointed Share Registrar, maintains complete and up-to-date records of shareholders, including bank account details and contact information, to ensure accurate and timely distribution of cash dividends.
- **Book Closure**
The Bank announces book closure dates, during which the share transfer books remain closed, to determine shareholders' eligibility for dividend entitlement.
- **Dividend Entitlement**
Only those shareholders whose names appear in the Shareholders' Register on the record date (i.e., the date of book closure) fixed by the Bank are entitled to receive dividends.
- **Payment of Dividends**
Cash dividends are credited directly into the designated bank accounts of shareholders, in accordance with applicable regulations.
- **Unpaid / Unclaimed Dividends**
The Bank maintains detailed information regarding unpaid or unclaimed dividends on its corporate website, accessible at: <https://www.meezanbank.com/unclaimed/>
Unclaimed dividends are paid to the concerned shareholders upon receipt of a formal request and completion of the prescribed procedures.

Matters Raised In the last Annual General Meeting (AGM)

The 29th Annual General Meeting (AGM) of the Bank was held on March 27, 2025, in Karachi, Pakistan. A total of 211 shareholders, representing 79.28% of the total outstanding shares, attended the meeting either in person, through proxies, or via video link.

The Chairman of the Board Audit Committee also attended the said AGM, and his presence was duly recorded in the minutes of the meeting.

No significant issues were raised during the AGM. The shareholders appreciated the Bank's financial performance and commented positively on its progress. The Chief Financial Officer (CFO) highlighted the salient features of the audited annual accounts of the Bank for the year ended December 31, 2024. Following the CFO's presentation, the Chairman of the meeting addressed shareholders' queries relating to the Bank's growth, deposit mobilization, and developments in Islamic banking.

Governance Practices Exceeding Legal Requirements

The Board of Directors, as a whole respects the country laws and ensures meticulous compliance of applicable laws, rules & regulations and being the Premier Islamic Bank, Meezan Bank always adheres to provide information and disclosures above the minimum regulatory requirements. The Board never gives room for any sort of non-compliance and takes it as reputational risk for the Bank. The Management also regularly updates the Board with the latest developments in regulatory environment and maintains stringent control over regulatory compliance, through designated resources.

Following are some of the practices of the Bank which exceed the minimum legal requirement:

- The Bank has only one Executive Director (President & CEO) though it has been permitted two executive directors by SBP.
- The Bank reports additional information in the Annual Report for stakeholders which is not required by law.

Code of Conduct & Ethical Standards

The Bank has also developed 'Code of Conduct & Ethical Standards' for Board, Senior Management and other employees as per requirements of Listed Companies (Code of Corporate Governance) Regulations 2019, which is signed by every Director and employee of the Bank.

Presence of the Chairman of Audit Committee at the Annual General Meeting (AGM)

The Chairman of the Audit Committee attends the Annual General Meeting (AGM) and this is duly recorded in the minutes of AGM.

Policy for Sustainability and Corporate Social Responsibility (CSR)



Policy for Sustainability and Corporate Social Responsibility is annexed in Policies and Guidelines Section of this report.

Statement of Compliance with The Code of Corporate Governance



The Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulation 2019 is annexed with this annual report.

Informing the Company Secretary's Office on Sale or Purchase of Meezan Shares

Directors/Substantial Shareholders/Executives are required to inform immediately through a written notice about any change in the shareholding in his/her own name, in the name of his/her spouse and/or dependent/minor children to the Company Secretary. Complete details of the actual transaction along with cumulative number of shares owned should also be shared within seven days of its execution, enabling the Company Secretary to immediately notify the transaction along with cumulative shareholding in terms of percentage owned to Pakistan Stock Exchange in terms of PSX Regulations and also to subsequently report the transaction to the Board of Directors.

The Board reviews and determines, on an annual basis, the threshold for defining the term "Executive" for the purposes of reporting Disclosures of Interest under PSX Regulation 5.6.4. Under the Board-approved threshold, "Executive" includes the CEO, Chief Operating Officer, CFO, Head of Internal Audit, Company Secretary, and all Meezan Bank employees serving as a Group Head or holding a Key Executive position as defined in the SBP Corporate Governance Regulatory Framework (as amended from time to time).

Diversity

The Board of Directors firmly believes that the diverse mix of gender, knowledge, expertise and skill sets of the members/employees enhances the effectiveness of the Bank.

The Bank embraces and encourages employees with a diverse mix of age, family ethnicity, language, socio-economic status, physical disability and other characteristics that make its employees unique.

Investor Grievances

Meezan Bank has established a robust grievance reporting mechanism which seeks to resolve any complaints or unattended issues if, despite all vigilance, do occur. The mechanism put in place allows for such matters to be reported electronically, in writing or over the phone. To ensure that the stakeholders may register their complaints conveniently, a multitude of online forms are available on Meezan Bank's corporate website (www.meezanbank.com). The Investor Complaints Form, on submission, is sent directly to the Office of the Company Secretary. Similarly, a general complaints form for reporting and resolution of business-related complaints are managed by the Customer Care Unit (CCU). A dedicated email (complaints@meezanbank.com) is also in place for the express purpose of reporting issues if the stakeholder feels the need to email rather than use online forms.

Furthermore, grievances may also be lodged by calling the Bank's Call Center (UAN: 111-331-331 & 111-331-332), which is functional round the clock, where officers are available to assist stakeholders with their queries and complaints.

Managing Conflict of Interest

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 neither the discussion nor the decision on that matter. The policy is applied consistently and there was no breach of this policy during the year.

Board's Function and Decision Making

The Board plays an effective role and provides entrepreneurial leadership and direction to the Management of the Bank within a framework of prudent and effective controls. It promotes a collective vision of the Bank's purpose, its culture, values and also demonstrates ethical leadership.

Matters Delegated to the Management

The Board sets the strategic objectives and takes the overall responsibilities of overseeing its implementation. The Board performs its duties by giving guidelines to the Management, setting performance targets and monitoring their achievement. The Management is primarily responsible for implementing strategies as approved by the Board of Directors in conducting the operations of the Bank effectively.

Responsibility of the Management and the Board of Directors Towards Preparation and Presentation of Financial Statements

The Management has fulfilled its responsibility for preparation and fair presentation of the financial statements in accordance with the financial reporting frameworks as applicable in Pakistan. These include the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017). The Management also acknowledges its responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements. The Bank's Board of Directors is responsible for overseeing the financial reporting process.

Unreserved Compliance of International Financial Reporting Standards

The Management believes in ensuring unreserved compliance with the applicable International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board (IASB) for true and fair presentation of financial statements of the Bank.

The financial statements of the Bank for the year ended December 31, 2025 have been prepared in accordance with the accounting and reporting standards (including IFRS) as applicable in Pakistan. For further details, please refer to the Statement of Compliance in note 3 of the financial statements of the Bank. 

Human Resources Management Policies and Succession Planning

Human Resources Policies are approved by the Board of Directors of the Bank on the recommendation of Human Resources, Remuneration and Compensation Committee of Board in order to provide clear and definitive directions on Human Resource (HR) related matters.

Board's Review of Business Continuity Plan

The Board of Directors reviewed and approved the Bank's Business Continuity Plan. This exercise is being performed on an annual basis.

Stakeholders' Engagement



Stakeholders' engagement and the steps taken to solicit and understand the views of the shareholders is detailed in stakeholders' engagement section of this report.

Accessibility of Annual Report



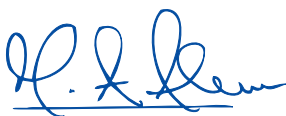
Annual Reports and other information of the Bank are accessible on its official website: www.meezanbank.com

Report of the Board Audit Committee

Board Audit Committee (BAC) comprises of four non-executive directors having vast experience and knowledge of finance and accounting. The Chairman of BAC is an independent director. Bank has adopted Committee of Sponsoring Organizations (COSO) Integrated Internal Control Framework and the Charter of Internal Audit & BRR department (IAD) provides complete independence to Head - IAD along with free access to BAC.

BAC has been proactively focusing on effectiveness of internal controls, risk management, compliance and governance processes in accordance with the requirements of Code of Corporate Governance and Audit Committee Charter (ACC) also referred to as Terms of Reference (ToRs) of BAC duly approved by the Board of Directors. During the year 2025, four BAC meetings were held and following major activities were performed by BAC in accordance with its approved Charter.

- BAC reviewed quarterly, half yearly and annual financial statements of the Bank and recommended the same for approval of the Board.
- BAC reviewed management letters/assurance reports issued by the external auditors, management's response and their compliance status and held discussions with external auditors on major observations. BAC also recommended the appointment of external auditors and their fees to the Board.
- BAC reviewed and approved the audit plan, scope and extent of the work to be performed by internal audit (IAD) and Shariah audit and recommended the audit strategy for approval of the Board. BAC also reviewed adequacy of resources as per the scope.
- BAC reviewed significant findings of internal audit and Shariah audit along with monitoring of its timely compliance. BAC also reviewed the whistle blowing mechanism.
- BAC reviewed major findings of internal investigations with respect to fraud & forgery and whistle blowing along with management's action thereto. BAC also reviewed annual review report of fraud, forgeries and robberies.
- BAC reviewed related party transactions and recommended the same for Board's approval.
- BAC reviewed the AML environment, compliance risk assessment and AML activity report, compliance policy, AML policy, compliance program, bank internal risk assessment, details and action plan of SBP penalty items, composite risk rating and SBP inspection / supervisory assessment reports along with monitoring of its compliance status. BAC also reviewed minutes of Compliance and Operational Risk Management Committee meetings.
- BAC reviewed Internal audit manuals, programs, revision in policies, IAD Charter, ACC and recommended the same for Board's approval.
- BAC reviewed Shariah audit manual and ensured compliance of corrective actions determined by Shariah Supervisory Board on the reports of Shariah audit.
- BAC reviewed the independent assurance report on compliance with Shariah rules and principles along with monitoring of its compliance status.
- BAC reviewed and had an oversight on implementation of Internal Controls over Financial Reporting (ICFR) program across the bank.
- BAC reviewed Internal Audit department assessments, internal quality assurance reviews, eaudit system and compliance of SBP guidelines on Internal Audit function along with progress and implementation status. Focus areas for internal audit were also discussed.
- BAC conducted self assessment of its performance to review compliance with SECP Code of Corporate Governance and SBP circulars. Self-assessment report was also presented to the Board.
- BAC reviewed statement on internal control system and recommended the same for endorsement by the Board.
- BAC also held separate meetings with external auditor and internal auditor without the CFO and the management in line with the Code of Corporate Governance.



Mr. Mohammad Abdul Aleem
Chairman-BAC

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Meezan 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 Meezan Bank Limited (the Bank) for the year ended December 31, 2023 in accordance with the requirements of regulation 35 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 a 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, its related party transactions. We are only required and have assessed 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 Company for the year ended December 31, 2023.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 04, 2024
UPIN: CR202300048MpqExKw9

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, being the holding firm, 17 C.I.D. Daudpalla Road, P.O. Box 1716, Karachi-Cantonment, Pakistan.
Tel: +92 (21) 33339880-6/33339871; E-Mail: +92 (21) 33410007

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Meezan Bank Limited For the year ended December 31, 2025

The Bank has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations" or "Code") in the following manner:

1. The total number of directors is ten (10), and the CEO is a deemed Executive Director, as per the following:
 - a. Male: 09
 - b. Female: 01
2. The composition of the Board is as follows:

Category	Names
i. Independent directors	Mr. Mohammad Abdul Aleem Ms. Nausheen Ahmad Mr. Abdulrazzaq T.A.M. Razooqi
ii. Non-executive directors	Mr. Riyadh S.A.A. Edrees – Chairman Mr. Bader H.A.M.A. AlRabiah Mr. Irfan Siddiqui Mr. Saad Ur Rahman Khan Mr. Tariq Mahmood Pasha Mr. Faisal Fahad AlMuzaini Mr. Zine Elabidine Bachiri
iii. Executive director (Deemed Director)	Dr. Syed Amir Ali - President & CEO
iv. Female director	Ms. Nausheen Ahmad

The Board comprises 10 elected directors. Since the CEO is a deemed director, the total number of directors becomes 11. The Bank has appointed 3 Independent Directors. While one-third of the total Board strength results in a fractional number, the Bank has not rounded this up, as the existing Independent Directors provide effective independent oversight. The Independent Directors possess the requisite competence, experience, and capacity, and their active participation in key Board committees (Board Audit Committee, Board Human Resources, Remuneration & Compensation Committee and the Board Risk Management Committee) ensures robust governance and effective protection of shareholders' interests.

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 the 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 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. As required by regulation No. 19 (1) and 19 (3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, currently 8 out of 10 directors are duly certified under the Directors' Training Program (DTP), while the remaining 2

directors will complete the training shortly. During the year, the Directors' Training Program was completed by Executive Management Team (EMT) member. However, no department head completed the training program under the Directors' Training Program (DTP). Details of EMT is as follows:

a. EMT: Ms. Shazia Khurram, General Manager - Branch & Premium Banking

10. During the year, Mr. Rizwan Qamar Lari was appointed as Head of Internal Audit by the Board of Directors on January 7, 2025, following the transition of Mr. Ebrahim Yakoob to the position of General Manager Operations. There was no appointment of Chief Financial Officer and Company Secretary during the year. The Board has approved their remuneration and terms and conditions of their employment are complied with relevant requirements of the Regulations;
11. Chief Financial Officer and the Chief Executive Officer duly endorsed the Financial Statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Committees	Composition* as of December 31, 2025
Audit Committee	1. Mr. Mohammad Abdul Aleem (Chairman) 2. Mr. Saad Ur Rahman Khan 3. Mr. Tariq Mahmood Pasha 4. Mr. Abdulrazzaq T.A.M. Razooqi
Human Resources, Remuneration & Compensation Committee	1. Mr. Riyadh S.A.A. Edrees (Chairman) 2. Mr. Mohammad Abdul Aleem 3. Ms. Nausheen Ahmad
Risk Management Committee	1. Mr. Saad Ur Rahman Khan (Chairman) 2. Mr. Bader H.A.M.A. AlRabiah 3. Mr. Zine Elabidine Bachiri 4. Mr. Abdulrazzaq T.A.M. Razooqi
Information Technology Committee	1. Mr. Saad Ur Rahman Khan (Chairman) 2. Mr. Riyadh S.A.A. Edrees 3. Mr. Bader H.A.M.A. AlRabiah 4. Mr. Irfan Siddiqui
IFRS 9 Committee	1. Mr. Riyadh S.A.A. Edrees (Chairman) 2. Mr. Faisal Fahad AlMuzaini 3. Mr. Irfan Siddiqui

**The revised composition of the above Board Committees, as approved by the Board, is disclosed in the Board Committees section of this report* 

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

As required by regulation No. 29 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Bank may constitute a separate committee, designated as the nomination committee. However, the Board effectively undertakes all responsibilities assigned to the Nomination Committee as stipulated in the Regulations. It regularly monitors, evaluates, and implements any changes required in the Board or its committees. Accordingly, separate nomination committee has not been formed by the Board.

As per Regulations No. 28 (1) and 28 (2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Human Resource and Remuneration Committee shall comprise at least three members, with a majority of non-executive directors, including at least one independent director. The Chairman of the Committee is required to be an independent director, and the Chief Executive Officer may also be included as a member. Furthermore, Regulation G-10(4) of the State Bank of Pakistan's Corporate Governance Regulatory Framework allows a non-executive director to serve as Chairman of the Board Human Resources, Remuneration and Compensation Committee, provided that independent directors constitute the majority of the Committee. Given that two out of the three members of the Board Human Resources, Remuneration and Compensation Committee are independent directors, the appointment of a non-executive director as Chairman is in compliance with the aforementioned regulatory requirements.

14. The frequency of meetings of the committees were as follows:

- a) Audit Committee
- b) Human Resources, Remuneration & Compensation Committee
- c) Risk Management Committee
- d) Information Technology Committee
- e) IFRS 9 Committee

Quarterly meetings
Quarterly meetings
Quarterly meetings
Quarterly meetings
Quarterly meetings

Referring to the observation in the context of Regulation 10A (1), 10A (2), 10A (3) and 10A (6) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Bank has by and large addressed the environmental, social and governance related matters. Further, in order to address and ensure sustainability and DE&I related strategies, the Board has mandated its Human Resources, Remuneration & Compensation Committee to oversee compliance of the abovementioned regulation whereas the matters pertaining to sustainability-related risks and opportunities are under review for onward consideration and approval by the Board. The Bank has also established a separate department for this purpose.

15. The Board has set up an effective internal audit function / team that 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.



Dr. Syed Amir Ali
President & CEO

February 9, 2026



Riyadh S.A.A. Edrees
Chairman

Statement of Internal Controls

This statement is presented to comply with the requirements of State Bank of Pakistan (SBP)'s BSD Circular No. 7 of 2004 dated May 27, 2004 "Guidelines on Internal Controls", SBP's OSED Circular No.01 dated February 07, 2014 and SBP BSD-1 Circular Letter No. 1 of 2021 dated July 06, 2021 on "Instructions on Internal Controls over Financial Reporting (ICFR)".

The management of the Bank is responsible for establishing and maintaining an adequate and effective system of internal controls which has the main objective of ensuring effectiveness and efficiency of operations, reliability of financial reporting, safeguarding of assets and compliance with applicable laws and regulations.

The control activities are being closely monitored across the Bank through Compliance, Risk Management, Shariah and Internal Audit departments, which covers all banking activities in general and key risk areas in particular. The Management has Compliance and Operational Risk Management Committee (CORMC) which focuses on compliance risk issues and reviews the adequacy of controls and systems to meet the regulatory requirements. The Board of Directors has formed an Audit Committee which has direct oversight responsibility to ensure the independence of the internal and external audit functions. The Audit Committee meets at least once every quarter to discuss the scope and results of the work performed by the Compliance, Shariah and Internal Audit departments. The Audit Committee also meets with external auditors prior to approval of half-yearly and annual results of the Bank.

Based on observations and weaknesses found and identified by Internal and External auditors and the Compliance, Risk Management and Shariah audit teams, improvements are brought about by the management in internal controls to ensure non-recurrence of those exceptions and elimination of such weaknesses to the maximum possible level. Further, to ensure compliance with regulatory requirements including AML/CFT requirements, compliance managers along with their teams are also placed in major regions.

While the Internal Controls System is effectively implemented and monitored, there are inherent limitations in the effectiveness of any system, including the possibility of human error or system failure, circumvention and overriding of controls. Accordingly, even an effective internal control system can provide reasonable but not absolute assurance that the system's objective will be achieved.

Alhamdulillah, the Bank had successfully completed all stages of its ICFR program in 2014 and has been granted exemption from the requirement of submission of Auditor-issued Long Form Report through SBP OSED letter /SU-12/017(01)/358/15 dated January 05, 2015. As required by the State Bank of Pakistan, the Bank now prepares annual assessment report on efficacy of ICFR duly signed by the Chairman, Audit Committee. Having successfully achieved closure on ICFR, the Bank remains cognizant of its responsibility to continuously improve and strengthen its system of Internal Controls on an on-going basis.

Based on the above, the Board of Directors endorses the management's evaluation of Internal Controls.

On behalf of the Board.



Dr. Syed Amir Ali
President & CEO

February 09, 2026

Gender Pay Gap Statement under SECP Circular No. 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2025:

- i) Mean Gender Pay Gap (as per table below):
- ii) Median Gender Pay Gap (as per table below):

To comply with the SECP circular on gender pay gap analysis, we identified female employees based on their jobs and grades and subsequently mapped their male counterparts. This ensures a fair assessment of salary differences between genders. The analysis follows the formula prescribed in the SECP circular to calculate the gender pay gap.

Tier	Mean Gender Pay Gap Male : Female Ratio	Median Gender Pay Gap Male : Female Ratio
Tier 1 (EVP I & EVP II)	1.02 : 1	0.98 : 1
Tier 2 (SVP I to AVP I)	1.05 : 1	1.16 : 1
Tier 3 (AVP II to AM II)	1.15 : 1	1.17 : 1
Tier 4 (SO & below)	1.06 : 1	1.04 : 1

On behalf of the Board.



Dr. Syed Amir Ali
President & CEO

February 09, 2026

Shariah Board Report

الحمد لله رب العالمين، والصلاة والسلام على خاتم الأنبياء والمرسلين، محمد المصطفى الأمين، وعلى آله وأصحابه أجمعين، وبعد:

All praises to Allah (ﷻ). This was the 23rd year of Islamic commercial banking for Meezan Bank under review. During the year, the Shariah Board of Meezan Bank held four meetings to review various matters, referred to them by the Bank.

Alhamdulillah, this year Meezan Bank was again recognized as the 'Best Bank' by Pakistan Banking Awards. This was the fifth time and third consecutive year of this most prestigious award of the banking industry for Meezan Bank. This award reflects the hard work and commitment of the entire team of Meezan Bank towards the cause of promoting Islamic banking in Pakistan.

Alhamdulillah, the CFA Society of Pakistan has also recognized Meezan Bank as the 'Best Bank of the Year - Large Size Banks' and the 'Best Islamic Bank of the Year'. This was the sixth consecutive win of CFA's 'Best Bank' award for Meezan Bank, which is again an outstanding recognition. Furthermore, the Bank was again recognized with Shariah Authenticity 2025 and Shariah Auditor of the Year 2025 by the Global Islamic Finance Awards (GIFA), a highly respected international recognition.

Meezan Bank's Shariah Compliance Department (SCD), comprising of a team of professionals, works under the guidance of the Shariah Board. The main objective of this department is to facilitate and ensure Shariah compliance in all processes, procedures and products. This includes the refinement of existing products and procedures, organizing Islamic banking training and awareness sessions and Shariah compliance reviews of transactions. The SCD also serves as the secretariat to the Bank's Shariah Board.

We appreciate the efforts of the entire staff of the Bank towards promoting and strengthening the environment of Shariah compliance in the Bank. It gives us comfort to observe a high level of commitment of the staff, management and the Board members of the Bank towards ensuring Shariah compliance.

We are pleased to share the major achievements of Meezan Bank towards the growth of Islamic banking during the year ended December 31, 2025:

Research and New Product Development

The Bank continued to play a leading role as a Joint Financial Advisor of the Government of Pakistan (GoP) towards the issuance of Rs 2.056 trillion GoP Sukuk this year. Notably, this marks the highest amount of GoP Sukuk issued in any calendar year in Pakistan. These issuances have not only assisted the GoP in its efforts to convert the banking system into Islamic banking but have also contributed to reducing its financing cost and budget deficit. All these issuances were successfully carried out through Pakistan Stock Exchange, enabling all sectors of the economy including individuals, to directly invest in GoP Sukuk and earn halal return on their investment.

As part of the Joint Financial Advisors to the GoP, Meezan Bank also advised and provided assistance to the GoP in issuance of the first-ever Sovereign Green Sukuk under the Sustainable Investment Sukuk Framework.

During the year, 8 Shariah-compliant syndicated transactions and 13 Sukuk issuances for certain private and public sector entities involving various structures such as Ijarah, Diminishing Musharakah and Running Musharakah were executed for infrastructure development, capital expansion and project financing related needs.

Meezan Bank also played a vital role in structuring a unique and landmark Shariah-compliant financing facility for the Central Power Purchasing Agency (CPPA), representing the largest financing transaction in the history of Pakistan's banking sector. This transaction was supported by a consortium of leading banks across the country and significantly contributed in addressing the energy sector's circular debt issue. Through this participation, Meezan Bank demonstrated its strong alignment with the objective of expanding the footprint of

Islamic finance at the national level, while enhancing market confidence in Shariah-compliant solutions for large-scale sovereign and infrastructure financing.

The Bank is also focusing on increasing access to finance for the SME sector in Pakistan. Despite challenging market conditions, the SME portfolio grew by 65%, from Rs 28.2 billion in 2024 to Rs 46.6 billion in 2025. The Bank added a new Anchor, Engro Polymer & Chemicals Limited's dealers in its financing portfolio through its in-house developed financing platform. It continued to digitally finance distributors of National Foods Limited and Packages Convertors Limited, as well as distributors of a leading multinational company, through a Shariah-compliant digital financing platform in collaboration with Haball. The Bank also onboarded several fintech partners to further enhance provision of Shariah-compliant SME financing solutions for merchants, dealers, and vendors of various anchors.

The Bank continued to build its financing portfolio under the following two Shariah-compliant indirect financing products to enhance its outreach to rural communities:

- (1) Grower Finance under Tijarah and Murabaha modes, which provide in-kind financing for agricultural inputs to registered sugar mill growers from sowing to harvest, and
- (2) Wholesale Finance to Microfinance Institutions, enabling these institutions to offer financing to small-scale rural customers.

These initiatives have successfully provided financing of Rs 2,437 million to 11,601 beneficiaries, including 7,127 women, promoting agricultural growth and financial inclusion in rural areas.

Under Consumer financing, the Bank continued to provide affordable financing solutions, including solar

financing to its staff, customers and payroll customers on the basis of Musawamah, disbursing a total of 733 cases in 2025. The Bank also continued to provide affordable Bike Finance at Zero (0%) profit rate especially for electric bikes.

During the year, the Bank approved and/or launched several deposit products for facilitating inflow of foreign currency from Resident and Non-Resident Pakistanis, such as Meezan Asaan Remittance Account, Meezan Sohni Dharti Remittance Account, Meezan Roshan Digital Lite Account and Meezan Digital NRP Account (Non-Repatriable).

The Bank also launched “Mera Ghar Mera Ashiana” (MGMA) a Government-subsidized Islamic Housing Finance Scheme which provides convenient and affordable housing finance solutions for construction or purchase of housing units through Diminishing Musharakah mode of financing.

Shariah Compliance

The Shariah Board recognizes the efforts of SCD in conducting above 420+ customer and industry visits and reviewing more than 4,600 different types of financing cases as per the approved guidelines.

In 2025, the SCD conducted a review of 212 branches of the Bank to assess basic knowledge of branch staff and general Shariah environment of the Bank. The SCD also conducted Shariah review of 25 departments/functions of the Bank to ensure that their operations are in line with the Shariah Board guidelines.

During the year, the Shariah Board provided guidelines for various matters including:

- Approval of Shariah-compliant Personal Finance Product
- Approval of Shariah structure for Islamic Financing Card
- Approval of Shariah structure of Hybrid Sukuk based on Ijarah and Commodity Murabaha
- Approval of Shariah structure for Wakala Sukuk
- Approval of different deposit accounts
- Approval of various policies and manuals
- Approval of training and audit plans



2025 Highlights

- **420+** Customer & Industry Visits
- **4,600** Financing Reviews
- **212** Branch Reviews
- **25** Department Reviews
- **330** Training Sessions
- **16,200** Employees Trained
- **3** Digital Learning Modules Launched

Training & Development

Over 330 training sessions were conducted during the year, catering to around 16,200 employees of the Bank. These sessions included orientations and batch training for new joiners, as well as refresher programs such as Basics of Islamic Banking, Workshop on Islamic Banking Asset Products, Key Concepts of Deposit Products & Pool Management, Understanding Consumer Products, Managing Risk in Islamic Finance Products, Understanding Trade Finance Products & Documentation, and the Islamic Banker Certificate.

The Bank also launched 3 digital learning modules on its internal Learning Management System (LMS), which were attended by around 16,500 staff members. The Bank also conducted a specialized 'Training of Trainer' program for the Internal Shariah trainers of the Bank. Furthermore, the Bank conducted six programs of Advanced-level Interactive training for senior executives in Karachi, Lahore and Islamabad.

The Bank collaborated with Institute of Chartered Accountants of Pakistan (ICAP) to organize a workshop titled “Shariah-Compliant Corporate Financing” for professional accountants and finance professionals. The Bank also collaborated with NIBAF (National Institute of Banking & Finance) and the Centre of Islamic Finance, University of Agriculture Faisalabad, to conduct a Faculty Development Program on Islamic finance for faculty members from various universities in Faisalabad. In addition, the Bank collaborated with

IBA-CEIF to offer a Faculty Development Program, which was attended by faculty members from universities across the country. These faculty development programs enabled participants to gain practical knowledge of Islamic banking and finance, facilitating effective onward dissemination to their students.

Meezan Bank also arranged a 3-day dedicated Certification Program in collaboration with Riphah International University on “Operationalizing Islamic Finance Conversion: Challenges and Solutions for Microfinance Institutions” for senior management of microfinance institutions, as part of its continued efforts to strengthen Shariah-compliant practices and capacity building across the Islamic finance industry.

The Bank is making serious efforts to establish strong ethical values among its staff in line with Islamic cultural values. Towards this end, the Bank arranged various sessions on leadership and ethical values from renowned speakers. Several internal sessions on the ‘Role of an Islamic Manager’ for Branch Managers were also conducted.

The Bank launched an animated educational series branded as “Ma’ali Maamlaat Maulana Abdullah Kay Sath” covering topics related to day-to-day financial matters for the awareness and education of the general public. Additionally, continuing from last year, the Bank released a series of educational videos by its Shariah Scholars for its

staff to enhance their knowledge of Islamic banking and finance. Also, during Ramadan, the Bank launched a dedicated video series titled "Paigham-e-Ramazan" with the theme of inculcating positive Islamic values in the light of the Quran and Sunnah.

In order to create awareness of Islamic banking and finance among the general public, the Bank conducted 222 seminars, including 7 workshops for its Corporate and SME customers across various cities in Pakistan. These sessions were attended by more than 21,000 participants from diverse segments of society.

The Bank continued to actively promote Islamic finance and financial inclusion at the grassroots level through financial literacy and awareness initiatives conducted across several districts of the country. During the year, approximately 136+ classroom sessions and 30+ interactive role-play sessions were arranged by the Bank. These activities were strategically distributed over 30+ districts, ensuring broad coverage and engagement. These initiatives, implemented through on-ground educational and community-based engagement sessions, aim to enhance public understanding of Islamic financial principles and promote informed financial decision-making.

During the year, the Bank established Centers of Islamic Finance at NED University, Hailey College of Commerce Lahore, National Institute of Public Administration (NIPA), Bahria University Karachi, BUIITEMS Quetta and Islamia University Bahawalpur. Till date, the Bank has supported establishment of 8 Centers of Islamic Finance including the previously established Centers at Bahauddin Zakaria University, Multan and University of Agriculture, Faisalabad. These Centers organized several sessions during the year to promote awareness of Islamic Banking.

Meezan Bank collaborated with HIRA Institute of Emerging Sciences (HIES) to offer a free two-month Skill

Development Program for Madrasa students. This initiative aimed to equip Madrasa students with essential skills including English language proficiency, Microsoft Office applications and basic graphic design, in order to support their academic and professional development. In addition, the Bank collaborated with IBA CICT to offer a fully funded Digital Marketing Program for youth.

The Bank also contributed to the capacity building of university students in Islamic banking and finance and launched two batches under its 'Meezan Justuju' Program in collaboration with IBA CEIF, under which around 200 students received 42 credit hours of training in Islamic finance, fully funded by the Bank.

Furthermore, Meezan Bank under its 'Meezan Justuju' Program supported underprivileged youth by collaborating with reputable institutions including 'The Hunar Foundation', 'Shahid Afridi Foundation' and 'Memon Industrial & Technical Institute' to provide vocational and technical skills training; enabling the beneficiaries to secure employment opportunities, earn an honorable livelihood and contribute positively to the society.

In a unique initiative, Meezan Bank launched the 'Meezan Industry Fellowship Program' during the year. The initiative was designed to provide faculty members from leading universities across Pakistan with practical exposure to Islamic banking and finance. The program aims to strengthen collaboration between academia and the Islamic Banking industry by enabling participants to gain firsthand learning experience across various key departments. The lecturers participating in this program came from renowned institutions including SZABIST, National University of Computer & Emerging Sciences (NUCES-FAST) Karachi, Institute of Business Management (IoBM), Islamia University of Bahawalpur, Bahria University Karachi, COMSATS University, Riphah International University, Islamabad and University of Management & Technology, Lahore.

Shariah Advisory & Industry Support

The Bank continues to actively support the Islamic finance industry across the globe by providing tailor-made Shariah advisory solutions for business needs. Following are the notable advisory services provided by the Bank during the year:

- Advisory and technical support to several microfinance companies including SAFCO Microfinance Company (Private) Limited, Rural Community Development Programmes (RCDP), CSC Empowerment & Inclusion Program and Damen Support Program in terms of establishing Islamic branches/windows by developing Shariah-compliant products, reviewing policies and procedures, and building capacity and training employees. Through this initiative, a Shariah-compliant financing facility is now available for the low-income population of rural areas.
- The Bank provided Shariah technical services and support to Stylers International Limited, a company listed at PSX, to facilitate its conversion into a Shariah-compliant entity and obtain the SECP Shariah Compliance Certificate under the Shariah Governance Regulations. This support included the review and alignment of constitutive documents, policies, and procedures across key functional areas, with Shariah principles.
- The Bank provided Shariah advisory services to Lucky Electric Power Company Limited, facilitating the conversion of long-term conventional syndicated financing facilities into Shariah-compliant syndicated facilities.
- Shariah advisory services were provided to Pakistan's leading Mutual Funds having a major share of the Islamic Mutual Funds industry in terms of, including but not limited to, investment avenues, the launching of funds and plans, and the review of policies and manuals, etc.
- Screening services to Pakistan Stock Exchange (PSX) in semi-annual re-composition of KMI-30 and PSX-KMI All Share Indices.
- The Bank Developed multiple Shariah structures for various privately placed Sukuk issued by telecommunication, pharmaceuticals and confectionery companies.

Review of Assets

The Bank has maintained diversification in its usage of various financing products, as evident from its financing portfolio. The Bank has mainly focused on financing through Musharakah modes, which constitute 62% of the Bank's total financing. The Bank's total financing portfolio reached Rs 1,686 billion (gross) as of December 31, 2025. Breakup of different financing modes is as follows:

Financing Modes	2025 %	2024 %	Growth / (Decline) in total portfolio %
Diminishing Musharakah	29.3	22.4	6.9
Musharakah and Running Musharakah	32.9	45.9	-13
Istisna	13.1	11.1	2
Ijarah	6.7	4.5	2.2
Murabaha	2	2.1	-0.1
Musawamah	3.9	3.3	0.6
Bai Salam	0.1	0.1	0
Wakalah Tul Istithmar	0	1.9	-1.9
Tijarah	1.7	1.4	0.3
Commodity Salam	2.6	1.9	0.7
Other	7.7	5.4	2.3

The Bank reversed financing of Rs 1.3 billion provided to its customers under Murabaha and Musawamah without recognizing any profit, as those transactions could not be converted into real trade due to genuine business reasons.

Summary of Direct Payment in Murabaha Financing

During the year 2025, almost 91% of payments for Murabaha financings were made through banking channels such as Pay Order/Crossed cheques/Account transfers/RTGS into supplier's accounts. It is highly recommended that efforts be continued to maintain this percentage of direct payments in Murabaha transactions. Ensuring payment to the supplier from banking channels is encouraged as this is essential for financial inclusion and reducing undocumented trade culture.

It is worth mentioning that, in order to strengthen Shariah compliance, physical inspection of the delivery of goods was carried out in almost all Istisna and Tijarah transactions.

Liquidity Management

The Bank continued to increase its Sukuk portfolio for the purpose of effective liquidity management, with an outstanding balance of Rs 2.137 trillion as at year-end. With the increase in Sukuk issuance, the Bank has significantly reduced its reliance on interbank Bai Muajjal transactions.

Review of Deposits

Alhamdulillah, deposits grew by 27.78% to reach a sum of Rs 3,303 billion as of December 31, 2025. During the year, the process of allocation of assets and funds to various deposit pools, announcing overall profit-sharing ratios for Mudarabah-based deposits, monthly allocation of weightages, and distribution of income to deposit accounts were monitored and reviewed in accordance with the respective pool management guidelines of SBP and Meezan Bank.

Meezan Bank's management has made efforts to increase deposit rates and, in this regard, focus was on certain deposit segments such as women, senior citizens, mobile wallet account holders and New-to-Bank (NTB) customers to attract them towards Islamic banking by providing attractive saving options.

Shariah Audit

In compliance with the Shariah Governance Framework issued by the State Bank of Pakistan (SBP), a dedicated Shariah Audit Department, reporting to the Audit Committee of the Board, is in place. This department plays a significant role in accomplishing the objective of ensuring compliance by evaluating adherence to Shariah guidelines prescribed by the Shariah Board, Resident Shariah Board Member, and the Shariah guidelines of the Islamic Banking Department of SBP. This department submits its report to RSBM/Shariah Board for information, review and determination of appropriate corrective actions.

During the year under review, Shariah Audit of 986 branches, area offices, consumer and corporate hubs, and Head Office departments was conducted as a part of the Bank's efforts to strengthen the internal Shariah controls mechanism. These audits not only cover the assessment of financial transactions and operational activities undertaken by branches and departments but also include an evaluation of staff's knowledge of Islamic finance.

Customer deposits

Rs 3,303 Bn

Increase of 27.78%

Shariah Audit of

**986
branches**

area offices, consumer, corporate hubs, and Head Office departments conducted.

Charity

An amount of Rs 241.81 million was transferred to the charity payable account during the year. This includes Rs 3.73 million to eliminate the non-compliant income portion identified during Shariah audit, Rs 34.95 million to purify the dividend income earned from investment made in Shariah-compliant stocks by the Bank, and Rs 194.58 million transferred to charity payable account in the normal course of business on account of non-timely payments by customers in various financing transactions. An amount of Rs 311.61 million was disbursed from the charity account after the approval of the RSBM/Shariah Board.

Rs 241.81 Mn

Transferred to Charity Payable Account



Details of charity account are available in note # 20.4

Suggestions

For the purpose of further improving the Bank's business as well as the overall Islamic Banking Industry, following are our suggestions. Some of these are reiterated to emphasize the ongoing nature of these recommendations.

Leadership Transition

- In light of the recent leadership transition, the Shariah Board recommends that the Bank's management continues to uphold the highest standards of Shariah compliance, ethical governance and institutional stability, while advancing sustainable growth and development of Islamic banking in Pakistan.

Purpose of Existence

- It is emphasized that a message should be clearly communicated within the Bank that all the efforts that are being made for the growth of Islamic Banking should be driven by the primary objective of pleasing Allah (ﷻ).

Grooming of Staff

- The Bank should continue its efforts to provide training on ethical and religious values along with job-related trainings to its employees.
- Given the ongoing transformation of the banking industry, it is imperative to place greater emphasis on the capacity building and Shariah awareness of the Bank's staff. Such initiatives will improve employees' ability to perform their duties in accordance with Shariah requirements and effectively guide customers in Islamic banking matters.

Conversion of Financial System

- The Bank should continue to engage with its customers and provide necessary facilitation to support the conversion of their financing requirements to Shariah-compliant modes.
- As the country's leading Islamic Bank, the Bank should continue to extend full support to the Government and State Bank of Pakistan in their efforts towards Islamization of the financial system.
- The Bank, in its role as a Joint Financial Advisor to the Government of Pakistan, should endeavor to develop innovative Sukuk structures to address its diverse financing needs and support the conversion process.

Use of Artificial Intelligence (AI)

- The Shariah Board recommends that the Bank further strengthens its Shariah controls by making effective use of AI which can support enhanced oversight, monitoring and provide early signals of non-compliance.

Banking Outreach

- The Shariah Board recommends that the Bank should use the platforms of the Bank's supported Centers for Excellence established in different educational institutions to promote awareness and understanding of Islamic banking and finance among various segments of the society.
- The Shariah Board strongly advises the Bank to continue enhancing its focus on increasing Shariah-compliant financing to the SME sector, including the effective utilization of digital platforms to improve outreach and efficiency. Considering the pivotal role of the agriculture sector in Pakistan's economy, the Bank is also encouraged to expand its presence in this sector and endeavor to establish a leading position therein.
- The Bank is encouraged to pursue strategic collaborations with microfinance and nano financing institutions, as well as incubation centers, to further extend the reach of Islamic finance to underserved segments of society.
- The Bank should explore different mediums to disseminate Islamic finance knowledge both among the staff and the masses. In this regard, the Bank may make use of brief videos, tutorials, podcasts, case studies, documentaries, animated videos, etc.
- Recognizing the changing preferences of the younger generation, it is recommended that the Bank adopts innovative, youth-focused communication channels and digital platforms to engage the younger generation to bring them closer to Islamic finance.

Awareness

- In the current era, the Bank should focus on using different social media platforms to enhance awareness, remove doubts and address the queries of the general public in an effective manner.
- The Bank should explore different ways to engage with its current and prospective customers through seminars, workshops, industry visits, etc. and address their concerns to bring them closer to Islamic banking.
- The Bank should continue to collaborate with different trade bodies and chambers to create awareness about Islamic banking among the business community.
- The Bank should continue its efforts to arrange focused sessions for different segments of the society, such as women, children, university students, media persons, journalists, etc.
- Now that the Bank is an opinion leader in the financial ecosystem of Pakistan, it should play an active role in cultivating and preaching good cultural, social, moral and religious values among the masses through various physical and online programs.

Conclusion

As per the charter of the Bank, it is mandatory for the management and employees to ensure the application of Shariah principles and guidelines issued by the Shariah Board and Resident Shariah Board Member, and to maintain Shariah compliance in all its activities. The primary responsibility for ensuring Shariah compliance of the Bank's operations thus lies with the Board of Directors and Executive Management.

Based on extensive reviews of sample cases for each class of transaction, related documentation, processes, profit distribution mechanism for the depositors by the SCD, as well as review of Internal Shariah Audit and External Shariah Audit reports and Management's representation in this regard, the Bank, in our opinion, has complied with the rules and principles of Islamic Shariah in light of the guidelines and directives given by the Shariah Board, Resident Shariah Board Member of Meezan Bank, and the guidelines issued by the Shariah Advisory Committee of the SBP related to Shariah compliance. The non-compliant income identified during the review is being transferred to the Charity Account through a well-defined system and utilized properly in accordance with the instructions of the Shariah Board.

Based on the strength and capacity of the full-fledged SCD and the policies and guidelines for Shariah compliance issued by the Bank, we are of the opinion that an effective mechanism is in place to ensure Shariah compliance in overall operations of the Bank.



Mufti Muhammad Naveed Alam
Resident Shariah Board Member



Mufti Zubair Ahmed
Member, Shariah Board



Sheikh Esam Mohamed Ishaq
Member, Shariah Board



Dr. Muhammad Imran Ashraf Usmani
Member, Shariah Board



Justice (Retd.) Muhammad Taqi Usmani
Chairman, Shariah Board

Dated: 21st Shaaban 1447 H / February 9, 2026

- بینک کو چاہیے کہ وہ اپنے عملے اور عوام الناس دونوں میں اسلامی مالیات کے علم کی ترسیل کے لیے مختلف ذرائع کا جائزہ لے۔ اس ضمن میں مختصر ویڈیوز، ٹیوٹوریلز، پوڈ کاسٹس، کیس اسٹڈیز، ڈاکومنٹریز، اینیمیٹڈ ویڈیوز وغیرہ سے استفادہ کیا جاسکتا ہے۔
- نوجوان نسل کی بدلتی ہوئی ترجیحات کو مد نظر رکھتے ہوئے سفارش کی جاتی ہے کہ بینک جدید اور نوجوانوں پر مرکوز مواصلاتی ذرائع اور ڈیجیٹل پلیٹ فارمز اختیار کرے، تاکہ نوجوانوں کو موثر انداز میں شامل کر کے انہیں اسلامی مالیات کے قریب لایا جاسکے۔

آگاہی

- موجودہ دور میں، بینک کو ہداری بڑھانے، شکوک و شبہات کو دور کرنے اور عام لوگوں کے سوالات کو موثر انداز میں حل کرنے کے لیے مختلف سوشل میڈیا پلیٹ فارم استعمال کرنے پر توجہ دینی چاہیے۔
- بینک کو چاہیے کہ سیمینارز، ورکشاپس، انڈسٹری وٹس وغیرہ کے ذریعے اپنے موجودہ اور ممکنہ صارفین کے ساتھ رابطے کے مختلف طریقے تلاش کرے اور ان کے تحفظات کو دور کر کے انہیں اسلامی بینکاری کے مزید قریب لائے۔
- بینک کو کاروباری برادری میں اسلامی بینکاری سے متعلق آگاہی پیدا کرنے کے لیے مختلف تجارتی اداروں اور چیئرمینز کے ساتھ تعاون جاری رکھنا چاہیے۔
- بینک کو چاہیے کہ وہ معاشرے کے مختلف طبقات، مثلاً خواتین، بچوں، یونیورسٹی کے طلبہ، میڈیا سے وابستہ افراد اور صحافیوں کے لیے خصوصی اور مرکوز سیشنز کے انعقاد کی اپنی کوششیں جاری رکھے۔
- اب جبکہ بینک پاکستان کے مالیاتی ماحولیاتی نظام میں ایک رائے ساز (Opinion Leader) کی حیثیت رکھتا ہے، اسے چاہیے کہ مختلف بالمشافہ اور آن لائن پروگرامز کے ذریعے عوام میں مثبت ثقافتی، سماجی، اخلاقی اور دینی اقدار کو فروغ دینے اور ان کی ترویج میں فعال کردار ادا کرے۔

خلاصہ کلام

بینک کے چارٹر کے تحت تمام انتظامیہ اور ملازمین کیلئے ضروری ہے کہ وہ شریعہ بورڈ اور ریزولوشن بورڈ شریعہ بورڈ ممبر کی طرف سے جاری کردہ بینک کے تمام معاملات سے متعلق ہدایات پر عمل درآمد کو یقینی بنائیں۔ بینک کے معاملات کے شریعت کے مطابق ہونے کی بنیادی ذمہ داری بورڈ آف ڈائریکٹرز اور بینک کی انتظامیہ پر عائد ہوتی ہے۔

مختلف عقود کے جائزے، ان کی متعلقہ دستاویزات کی جانچ پرتال، طریقہ کار، شریعہ کمپلائنس ڈیپارٹمنٹ (SCD) کے ذریعے ڈیپازیز کو تقسیم ہونے والے نفع کے طریقہ کار کے مشاہدہ، اور ان سے متعلق اندرونی شریعہ آڈٹ رپورٹ اور بیرونی شریعہ آڈٹ رپورٹ اور اس ضمن میں منجمنٹ کی نمائندگی کے جامع جائزے کی بنیاد پر، ہماری رائے میں بینک نے شریعہ بورڈ، میزبان بینک کے ریزولوشن بورڈ ممبر اور اسٹیٹ بینک آف پاکستان کی شریعہ ایڈوائزرز کمیٹی کی جانب سے شریعہ مطابقت کے حوالے سے جاری کردہ ہدایات اور احکامات کی روشنی میں اسلامی شریعہ کے اصولوں اور قواعد کی مکمل پاسداری کی ہے اس جائزہ کے دوران جو غیر شرعی آمدنی پائی گئی وہ چیرائی میں منتقل کی گئی ہے جس کو شریعہ سپروائزرز بورڈ کی ہدایات کے مطابق خرچ کیا جائے گا۔

SCD کی صلاحیت اور استعداد کو دیکھتے ہوئے اور بینک کی طرف سے جاری کردہ شریعہ کمپلائنس کی ہدایات اور احکامات کے جائزے کے بعد ہماری رائے میں بینک میں تمام شعبوں کی نگرانی اور شریعہ کمپلائنس کو یقینی بنانے کیلئے ایک موثر نظام موجود ہے۔

والسلام علیکم ورحمۃ اللہ وبرکاتہ

محمد زبیر احمد

مفتی محمد نوید عالم
ریزولوشن بورڈ ممبر

شیخ عصام محمد اسحاق

ممبر شریعہ بورڈ

زبیر احمد

ممبر شریعہ بورڈ

جسٹس (ر) محمد تقی عثمانی

چیئرمین شریعہ بورڈ

ڈاکٹر محمد عمران اشرف عثمانی

ممبر شریعہ بورڈ

21 شعبان 1447 ہجری 9 فروری 2026

Rs 241.81 Mn

Transferred to Charity
Payable Account

چیریٹی/صدقات و خیرات

رواں سال کل 241.81 ملین روپے چیریٹی واجب الاداء اکاؤنٹ میں منتقل کئے گئے۔ اس میں 3.73 ملین کی رقم ایسی آمدنی کی تھی جس کے بارے میں شریعہ آڈٹ کے دوران یہ بات سامنے آئی کہ ان میں شرعی لحاظ سے کوئی کمی رہ گئی تھی۔ مزید 34.95 ملین روپے کی چیریٹی شیئرز میں کی گئی شریعہ کپلائنٹ انوسٹمنٹ سے حاصل شدہ آمدنی کو پاک کرنے کیلئے کی گئی اور 194.58 ملین روپے چیریٹی واجب الاداء اکاؤنٹ میں ٹرانسفر کئے گئے جو زمرہ کے قبولی معاملات میں کسٹمرز کی جانب سے ادائیگی میں تاخیر کی بنیاد پر وصول کئے گئے تھے۔ علاوہ ازیں 311.61 ملین روپے RSBM/شریعی بورڈ سے منظوری کے بعد چیریٹی اکاؤنٹ سے ادا کئے گئے۔

چیریٹی سے متعلق تفصیلات نوٹ نمبر 20.4 میں مذکور ہیں۔

تجاویز

بینک کے معاملات اور مجموعی طور پر اسلامی بنکاری کے نظام کو مزید بہتر بنانے کے لئے شریعہ بورڈ کی تجاویز درج ذیل ہیں جن میں سے بعض اہمیت کے پیش نظر مکرر ہیں:

قیادت کی منتقلی

حالیہ قیادت کی تبدیلی کے تناظر میں، شریعہ بورڈ سفارش کرتا ہے کہ بینک کی انتظامیہ شریعہ کپلائنس، اخلاقی اقدار کے فروغ اور ادارہ جاتی استحکام کے اعلیٰ ترین معیار کو برقرار رکھتے ہوئے پاکستان میں اسلامی بینکاری کے پائیدار فروغ کو آگے بڑھائے۔

میزان بینک کا مقصد قیام

اس بات پر زور دیا جاتا ہے کہ بینک میں یہ پیغام مؤثر انداز میں پہنچایا جائے کہ اسلامی بینکنگ کی ترقی کے لیے کی جانے والی تمام کوششیں اللہ کی رضا حاصل کرنے کے بنیادی مقصد کے تحت کی جانی چاہئیں۔

عملی تربیت

بینک کو اپنے ملازمین کو ملازمت سے متعلق تربیت کے ساتھ اخلاقی اور مذہبی اقدار کی تربیت دینے کی کوششیں جاری رکھنی چاہئیں۔ بینکاری صنعت میں جاری تبدیلیوں کے پیش نظر یہ نہایت ضروری ہے کہ بینک کے عملی صلاحیتوں میں اضافے اور شریعہ آگاہی پر مزید توجہ دی جائے۔ اس نوعیت کے اقدامات سے ملازمین کی یہ صلاحیت بہتر ہوگی کہ وہ اپنے فرائض شریعہ تقاضوں کے مطابق انجام دے سکیں اور اسلامی بینکاری کے معاملات میں صارفین کی مؤثر رہنمائی کر سکیں۔

مالی نظام کی تبدیلی

بینک کو چاہیے کہ وہ اپنے صارفین کے ساتھ مسلسل رابطہ برقرار رکھے اور ان کی مالی ضروریات کو شریعہ کے مطابق طریقوں میں منتقل کرنے کے لیے ضروری سہولت فراہم کرتا رہے۔ ملک کے سب سے بڑے اسلامی بینک کی حیثیت سے، بینک کو حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کی مالیاتی نظام کی اسلامائزیشن سے متعلق کوششوں میں بھرپور تعاون جاری رکھنا چاہیے۔ حکومت پاکستان کے لیے Joint Financial Advisor کے کردار میں، بینک کو مختلف نوعیت کی مالی ضروریات کو پورا کرنے اور تبدیلی کے عمل کی معاونت کے لیے جدید اور منفرد و سکوک اسٹرکچر تیار کرنے کی کوشش کرنی چاہیے۔

مصنوعی ذہانت (AI) کا استعمال

شریعی بورڈ سفارش کرتا ہے کہ بینک مصنوعی ذہانت (AI) کے مؤثر استعمال کے ذریعے اپنے شریعہ کنٹرولز کو مزید مضبوط بنائے، تاکہ بہتر نگرانی اور مانیٹرنگ ممکن ہو سکے اور عدم تعمیل کی بروقت نشاندہی ممکن ہو سکے۔

اسلامی بینکاری کی فہم کا پھیلاؤ

شریعی بورڈ سفارش کرتا ہے کہ بینک مختلف تعلیمی اداروں میں قائم کردہ اپنے سنٹرز آف ایکسیلینس کے پلیٹ فارمز کو استعمال کرتے ہوئے معاشرے کے مختلف طبقات میں اسلامی بینکاری اور مالیات کے بارے میں آگاہی اور فہم کو فروغ دے۔

شریعی بورڈ بینک کو پُر زور مشورہ دیتا ہے کہ وہ ایس ایم ای (SME) شعبے کو شریعہ کے مطابق فنانسنگ بڑھانے پر اپنی توجہ مرکوز رکھے، جس میں رسائی اور کارکردگی بہتر بنانے کے لیے ڈیجیٹل پلیٹ فارمز کے مؤثر استعمال کو بھی شامل کیا جائے۔ پاکستان کی معیشت میں زرعی شعبے کے کلیدی کردار کو مد نظر رکھتے ہوئے، بینک کو اس شعبے میں اپنی موجودگی بڑھانے اور اس میں ایک نمایاں مقام حاصل کرنے کی بھی ترغیب دی جاتی ہے۔

بینک کی حوصلہ افزائی کی جاتی ہے کہ وہ مائیکرو فنانس اور میڈیون فنانس اداروں کے ساتھ ساتھ انکیوبیشن سینٹرز کے ساتھ اسٹریٹجک تعاون کو فروغ دے، تاکہ اسلامی مالیات کی رسائی معاشرے کے محروم طبقات تک مزید بڑھائی جاسکے۔

اثاثوں کا جائزہ

بینک نے مختلف فنانسنگ مصنوعات کے استعمال میں تنوع کو برقرار رکھا ہے، جیسا کہ بینک کے فنانسنگ پورٹ فولیو سے ظاہر ہے۔ بینک نے بنیادی طور پر مشارکہ کے طریقوں کے ذریعے فنانسنگ پر توجہ مرکوز رکھی ہے اور یہ بینک کی کل فنانسنگ کا 62% ہے۔ بینک کا کل فنانسنگ پورٹ فولیو (برطانیہ 31 دسمبر، 2025ء) 1,686 ملین روپے پہنچ گیا ہے۔ مختلف فنانسنگ طریقوں کی تقسیم حسب ذیل ہے:

شرعی طریقہ تحويل	2025 %	2024 %	شرح ترقی / تنزلی %
مشارکہ متناقصہ	29.3	22.4	6.9
رنگ مشارکہ اور مشارکہ	32.9	45.9	-13
اصصناع	13.1	11.1	2
اجارہ	6.7	4.5	2.2
مراہمہ	2	2.1	-0.1
مساومہ	3.9	3.3	0.6
بیع - سلم	0.1	0.1	0
وکالہ الاستثمار	0	1.9	-1.9
تجارہ	1.7	1.4	0.3
کموڈٹی - سلم	2.6	1.9	0.7
دیگر	7.7	5.4	2.3

بینک نے اپنے صارفین کو مراہمہ اور مساومہ کے تحت فراہم کردہ 1.3 ملین روپے کی فنانسنگ بغیر کسی منافع کے واپس وصول کی، کیونکہ یہ معاملات حقیقی تجارت میں تبدیل نہیں ہو سکے تھے جس کی وجہ حقیقی کاروباری وجوہات تھیں۔

مراہمہ میں کی جانے والی براہ راست ادائیگیاں

دوران سال 2025ء، مراہمہ کی بنیاد پر کی گئی قیامات میں براہ راست ادائیگیاں بینکنگ چینلز جیسے پے آرڈر، کراس چیک، رقم کی منتقلی، سپلائرز کے اکاؤنٹ میں RTGS کا تناسب تقریباً 91% رہا۔ اس بات کی تاکید کی جاتی ہے کہ مراہمہ کے حقوق میں اس تناسب کو برقرار رکھنے کی کوشش جاری رکھی جائے۔ بینکنگ چینلز سے سپلائرز کو ادائیگی کو یقینی بنانے کی حوصلہ افزائی کی جاتی ہے کیونکہ یہ مالی شمولیت میں اضافے اور غیر دستاویزی تجارتی عمل کو کم کرنے کے لیے بھی معاون ہے۔

یہ بات بھی قابل ذکر ہے کہ شرعی اصولوں کی پاسداری کی یقین دہانی اور جانچ پڑتال کی غرض سے اصصناع اور تجارہ کے تقریباً تمام معاملات میں بینک کے نمائندہ نے خود جا کر بینک کے خریدے ہوئے مال کا مشاہدہ کیا اور اس پر قبضہ حاصل کیا۔

سیولیت کا انتظام

بینک نے مؤثر سیولیت کے انتظام کے لیے اپنے سکلوک پورٹ فولیو میں اضافہ جاری رکھا، جو سال کے اختتام پر 2.137 کھرب روپے تک پہنچ گیا۔ سکلوک کے اجراء میں اضافے کے باعث بینک نے بیع موبل ٹرانزیکشنز پر اپنے انحصار میں نمایاں کمی کی ہے۔

ڈپازٹس کا جائزہ

الحمد للہ، بینک کے ڈپازٹس میں 27.78% اضافہ ہوا اور 31 دسمبر 2025 تک یہ 3,303 ارب روپے تک پہنچ گئے۔ سال کے دوران اثاثہ جات اور فنڈز کی مختلف ڈپازٹ پولز میں تقسیم، مضاربہ پر مبنی ڈپازٹس کے لیے مجموعی منافع کی شرحوں کا اعلان، ماہانہ واپس چارج کی تقسیم اور ڈپازٹ اکاؤنٹس میں آمدن کی تقسیم کے عمل کی نگرانی اور جائزہ اسٹیٹ بینک آف پاکستان اور میزبان بینک کی متعلقہ پول پیمنٹس گائیڈ لائنز کے مطابق کیا گیا۔

میزبان بینک کی انتظامیہ نے ڈپازٹ ریٹس میں اضافے کے لیے کاڈشیں کیں اور اس ضمن میں خواتین، سینئر سٹیز، موبائل والیٹ اکاؤنٹ ہولڈرز اور نیو بینک (NTB) صارفین جیسے مخصوص ڈپازٹ سکلنٹس پر توجہ مرکوز رکھی، تاکہ پُرکشش بچت آپشنز کے ذریعے انہیں اسلامی بینکاری کی جانب راغب کیا جاسکے۔

شرعیہ آڈٹ

اسٹیٹ بینک آف پاکستان کے جاری کردہ شریعہ گورننس فریم ورک کی ہدایات کے مطابق مستقل شریعہ آڈٹ ڈپارٹمنٹ کی تشکیل دی گئی ہے جو بورڈ آف ڈائریکٹرز کی ڈسٹنٹ کمیٹی کے زیر نگرانی کام کر رہا ہے اور شریعہ کیمپلائنس کی یقین دہانی کیلئے شریعہ بورڈ، ریزرو بینٹ شریعہ بورڈ ممبر، اور اسلامک بینکنگ ڈپارٹمنٹ اسٹیٹ بینک آف پاکستان کی طرف سے بیان کردہ تمام شرعی اصولوں کے نفاذ کی جانچ پڑتال کرتا ہے۔ یہ ڈیپارٹمنٹ RSBM/شرعیہ بورڈ کو آگاہی، جائزہ اور تصدیق عمل کی تعیین کے لیے رپورٹ جمع کرواتا ہے۔

اس سال میزبان بینک کی کل 986 برانچوں، ایریا آفسز، کنزرویٹور کارپوریٹ بورڈ مراکز، ہیڈ آفس ڈپارٹمنٹس کا آڈٹ کیا گیا تاکہ شرعی اصولوں کی تعمیل کے داخلی نظم اور طریقہ کار کو مضبوط کیا جاسکے۔ شریعہ آڈٹ کے دوران مختلف حقوق کی جانچ پڑتال کے ساتھ ساتھ بینک کے عمل کی شرعی معاملات اور عقود کے بارے میں معلومات بھی جانچی جاتی ہے۔

Customer deposits

Rs 3,303 Bn

Increase of 27.78%

Shariah Audit of
986
branches

area offices, consumer,
corporate hubs, and Head
Office departments
conducted.

اور فنانس سے متعلق تعلیمی ویڈیوز کا ایک سلسلہ بھی بینک کے عملے کے لیے جاری رکھا گیا۔ اسی طرح، ماہ رمضان کے دوران بینک نے ”پیغام رمضان“ کے عنوان سے ایک خصوصی ویڈیو سیریز بھی پیش کی، جس کا مقصد قرآن و سنت کی روشنی میں مثبت اسلامی اقدار کو فروغ دینا تھا۔

عام لوگوں میں اسلامی بینکاری کے بارے میں آگاہی پیدا کرنے کے لیے، بینک نے ملک کے مختلف شہروں میں 222 سیمینارز منعقد کیے، جن میں کارپوریٹ اور SME صارفین کے لیے 7 خصوصی ورکشاپس بھی شامل تھیں۔ ان سیشنز میں معاشرے کے مختلف طبقات سے تعلق رکھنے والے 21,000 سے زائد افراد نے شرکت کی۔

بینک نے ملک کے متعدد اضلاع میں مالی خواندگی اور آگاہی کے اقدامات کے ذریعے چٹلی سطح پر اسلامی فنانس اور مالی شمولیت کو فعال طور پر فروغ دینا جاری رکھا۔ سال کے دوران، بینک کی طرف سے تقریباً 136 کلاس+ 30 سے زائد مونیٹر تھریٹ اور 30 سے زائد مونیٹر تھریٹ ایپس کا انعقاد کیا گیا، جو 30 سے زائد اضلاع میں منعقد ہوئے۔ جس سے وسیع کوریج اور مشغولیت کو یقینی بنایا گیا۔ تعلیمی اور کیوٹی پر مبنی مشغولیت کے ذریعے نافذ کیے جانے والے ان اقدامات کا مقصد اسلامی مالیاتی اصولوں کے بارے میں عوام کی سمجھ کو بڑھانا اور باخبر مالیاتی فیصلہ سازی کو فروغ دینا ہے۔

سال کے دوران، بینک نے NED یونیورسٹی، ہیلی کالج آف کامرس لاہور، نیشنل انسٹی ٹیوٹ آف پبلک ایڈمنسٹریشن (NIPA)، بحریہ یونیورسٹی کراچی، BUITEMS کونینڈ اور اسلامیہ یونیورسٹی بہاولپور میں سنٹر آف اسلامک فنانس قائم کیے۔ اب تک، بینک 8 سنٹر آف اسلامک فنانس کے قیام میں معاونت کر چکا ہے، جن میں پہلے سے قائم شدہ مراکز بہاولپور، کراچی، ملتان اور یونیورسٹی آف ایگریکلچر فیصل آباد بھی شامل ہیں۔ ان مراکز نے سال کے دوران اسلامی بینکاری کے فروغ کے لیے متعدد سیشنز منعقد کیے۔

میزان بینک نے HIRA Institute of Emerging Sciences (HIES) کے تعاون سے مدارس کے طلبہ کے لیے دو ماہ کا مفت اسکول ڈیولپمنٹ پروگرام بھی پیش کیا، جس کا مقصد

طلبہ کو انگریزی زبان، مائیکروسافٹ آفس ایپلیکیشنز اور بنیادی گرافک ڈیزائن جیسی مہارتوں سے آراستہ کرنا تھا۔ اس کے علاوہ، بینک نے IBA CICT کے اشتراک سے نوجوانوں کے لیے مکمل فنڈ ڈیجیٹل مارکیٹنگ پروگرام بھی متعارف کرایا۔

بینک نے اسلامی بینکاری اور فنانس میں جامعات کے طلبہ کی استعداد سازی میں بھی کردار ادا کیا اور IBA CEIF کے تعاون سے اپنے ”Meezan Justuju“ پروگرام کے تحت دو ہفتے کا آغاز کیا، جن کے ذریعے تقریباً 200 طلبہ کو اسلامی مالیات پر 42 کریڈٹ گھنٹوں کی تربیت فراہم کی گئی، جس کی مکمل مالی معاونت بینک نے کی۔

مزید برآں، Meezan Justuju پروگرام کے تحت، بینک نے کم وسائل رکھنے والے نوجوانوں کی معاونت کے لیے The Hunar Foundation، Shahid Afridi Foundation اور Memon Industrial & Technical Institute جیسے معتبر اداروں کے ساتھ اشتراک کیا، تاکہ فنائی اور تکنیکی مہارتوں کی تربیت فراہم کی جاسکے، جس کے نتیجے میں مستفید افراد باعزت روزگار حاصل کر سکیں اور معاشرے میں مثبت کردار ادا کر سکیں۔

ایک منفرد اقدام کے طور پر، میزان بینک نے سال کے دوران ”Meezan Industry Fellowship Program“ کا آغاز کیا۔ اس پروگرام کا مقصد ملک کی نمایاں جامعات کے اساتذہ کو اسلامی بینکاری اور فنانس کا عملی تجربہ فراہم کرنا ہے، تاکہ تعلیمی اداروں اور اسلامی بینکاری انڈسٹری کے درمیان تعاون کو فروغ دیا جاسکے۔ اس پروگرام میں شریک اساتذہ کا تعلق FAST، SZABIST، کراچی، FAST، Institute of Business Management (IoBM)، اسلامیہ یونیورسٹی بہاولپور، بحریہ یونیورسٹی کراچی، COMSATS یونیورسٹی، رفاہ انٹرنیشنل یونیورسٹی اسلام آباد اور یونیورسٹی آف مینجمنٹ اینڈ ٹیکنالوجی لاہور جیسی معروف جامعات سے تھا۔

شرعیہ ایڈوائزری اور انڈسٹری سپورٹ

بینک کا روایتی ضروریات کے مطابق تیار کردہ شریعہ مشاورتی حل فراہم کرتے ہوئے دنیا بھر میں اسلامی فنانس انڈسٹری کی فعال معاونت جاری رکھے ہوئے ہے۔ دوران سال بینک کی طرف سے فراہم کردہ چند قابل ذکر ایڈوائزری خدمات درج ذیل ہیں:

- بینک نے متعدد مائیکرو فنانس اداروں کو شریعہ مشاورتی اور تکنیکی معاونت فراہم کی، جن میں SAFCO Microfinance Company (Private) Limited، Rural Community Development Program (RCDP) اور CSC Empowerment & Inclusion Program شامل ہیں۔ اس معاونت میں اسلامی برانچز/ونڈوز کے قیام کے لیے شریعہ کے مطابق مصنوعات کی تیاری، پالیسیز اور طریقہ کار کا جائزہ، اور ادارہ جاتی استعداد سازی و ملازمین کی تربیت شامل تھی۔ اس اقدام کے نتیجے میں دیہی علاقوں کی کم آمدنی والے افراد کے لیے شریعہ کے مطابق فنانسنگ سہولیات دستیاب ہو گئی ہیں۔
- بینک نے پاکستان اسٹاک ایکسچینج (PSX) میں لسٹنگ شدہ Stylers International Limited کو شریعہ تکنیکی خدمات اور معاونت فراہم کی، تاکہ اسے شریعہ کے مطابق ادارہ بنانے اور شریعہ گورننس ریگولیشنز کے تحت SECP شریعہ کمپلائنس سرٹیفیکیٹ کے حصول میں سہولت فراہم کی جاسکے۔ اس معاونت میں ادارے کے بنیادی دستاویزات، پالیسیز اور طریقہ کار کو شریعہ اصولوں اور قواعد کے مطابق ہم آہنگ کرنے کا عمل شامل تھا۔
- بینک نے Lucky Electric Power Company Limited کو شریعہ مشاورتی خدمات فراہم کیں، جن کے ذریعے طویل المدتی روایتی سنڈیکیٹڈ فنانسنگ سہولیات کو شریعہ کے مطابق سنڈیکیٹڈ فنانسنگ میں تبدیل کرنے میں سہولت فراہم کی گئی۔
- بینک نے پاکستان کے نمایاں میوچل فنڈز (جن کا اسلامی میوچل فنڈ زائد شریعی میں بڑا حصہ ہے) کو شریعہ مشاورتی خدمات فراہم کیں، جن میں سرمایہ کاری کے مواقع، فنڈز اور پلانز کا اجراء، اور پالیسیز و مینولز کا جائزہ وغیرہ شامل ہیں۔
- بینک نے پاکستان اسٹاک ایکسچینج (PSX) کو KMI-30 اور PSX-KMI آل شیئر انڈیکس کی ششماہی تشکیل نو (Semi-Annual Re-composition) کے لیے شریعہ اسکریننگ خدمات فراہم کیں۔
- بینک نے ٹیلی کمیونیکیشن، فارماسیوٹیکل اور کنفییکشنری شعبوں سے تعلق رکھنے والی کمپنیوں کی جانب سے جاری کیے گئے مختلف نجی سکوک (Privately Placed Sukuk) کے لیے متعدد شریعہ اسٹریکچرز بھی تیار کیے۔

733 ٹرانزیکشنز ہوئیں۔ بینک نے بالخصوص الیکٹرانک بانکیس کے لیے (0%) منافع پر بانیک فنانسنگ کی سہولت بھی جاری رکھی۔

سال کے دوران، بینک نے مقیم اور غیر مقیم پاکستانیوں کی جانب سے زرمبادلہ کی آمد کو سہل بنانے کے لیے متعدد ڈیپازٹ مصنوعات کی منظوری دی اور/یا متعارف کروائیں، جن میں Meezan Asaan Remittance Account، Meezan Roshan Digital Lite Account، Meezan Sohni Dharti Remittance Account اور Meezan Digital NRP Account (Non-Repatriable) شامل ہیں۔

مزید برآں، بینک نے ”میرا گھر میرا آشیانہ (MGMA)“ کے نام سے حکومت کی سبسڈی پر مبنی اسلامی ہاؤسنگ فنانس اسکیم بھی متعارف کروائی، جو مشترکہ منافع کے طریقہ کار کے تحت رہائشی پینس کی تعمیر یا خریداری کے لیے آسان اور قابل استطاعت ہاؤسنگ فنانس حل فراہم کرتی ہے۔



2025 Highlights

- **420+** Customer & Industry Visits
- **4,600** Financing Reviews
- **212** Branch Reviews
- **25** Department Reviews
- **330** Training Sessions
- **16,200** Employees Trained
- **3** Digital Learning Modules Launched

شرعیہ کمپلائنس ڈیپارٹمنٹ (SCD):

شرعیہ بورڈ، شرعیہ کمپلائنس ڈیپارٹمنٹ (SCD) کی ان کاوشوں کو سراہتا ہے جن کے تحت 420 سے زائد صارفین اور صنعتوں کا مشاہدہ کیا گیا اور منظور شدہ رہنما اصولوں کے مطابق 4600 سے زائد مختلف نوعیت کے فنانسنگ کیسز کا جائزہ لیا گیا۔

سال 2025 کے دوران، SCD نے بینک کی 212 برانچز کا جائزہ لیا تاکہ مالی معاملات میں شرعی اصولوں کے بارے میں برانچ اسٹاف کی بنیادی معلومات اور بینک کے مجموعی شرعی مطابقت ماحول کا جائزہ لیا جاسکے۔ اس کے علاوہ، SCD نے بینک کے 25 مختلف شعبہ جات/فنانسنگ کلائمٹس پر بھی انجام دیا تاکہ اس بات کو یقینی بنایا جاسکے کہ ان کی کارروائیاں شرعیہ بورڈ کی ہدایات کے مطابق ہیں۔

سال کے دوران، شرعیہ بورڈ نے مختلف امور پر رہنمائی فراہم کی، جن میں درج ذیل شامل ہیں:

- شرعیہ کے مطابق پرسنل فنانس پروڈکٹ کی منظوری
- اسلامی فنانسنگ کارڈ کے لیے شرعیہ اسٹرکچر کی منظوری
- اجارہ اور کموڈٹی مراعات پر مبنی باہر ڈسکوک کے شرعیہ اسٹرکچر کی منظوری
- وکالہ صکوک کے شرعیہ اسٹرکچر کی منظوری
- مختلف ڈیپازٹ اکاؤنٹس کی منظوری
- مختلف پالیسیوں اور مینیکلز کی منظوری
- ٹریڈنگ اور آڈٹ کے منصوبوں کی منظوری

ٹریڈنگ اور ڈویلپمنٹ

سال کے دوران 330 سے زائد تربیتی سیشنز منعقد کیے گئے، جن سے بینک کے تقریباً 16,200 ملازمین مستفید ہوئے۔ ان تربیتی مجالس میں نئے شامل ہونے والے ملازمین کے لیے Basics of Islamic Banking, Workshop on Islamic Banking Asset Products, Key Concepts of Deposit Products & Pool Management, Understanding Consumer Products, Managing Risk in Islamic Finance Products, Understanding Trade Finance Islamic Banker اور Products & Documentation Certificate شامل ہیں۔

بینک نے اپنے لرننگ مینجمنٹ سسٹم (LMS) پر 3 ڈیجیٹل لرننگ ماڈلز بھی متعارف کرائے، جن میں تقریباً 16,500 ملازمین نے شرکت کی۔ اس کے علاوہ، بینک نے اپنے اندرونی شرعیہ ٹرینرز کے لیے ایک خصوصی ”Training of Trainer“ پروگرام بھی منعقد کیا۔ مزید برآں، کراچی، لاہور اور اسلام آباد رجسٹر میں اعلیٰ افسران کے لیے چھ اعلیٰ سطحی مشقی ٹریننگ پروگرامز کا بھی انعقاد کیا۔

بینک نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے اشتراک سے پیشہ ورانہ اکاؤنٹنٹس اور فنانس پروڈکشنز کے لیے ”Shariah Compliant Corporate Financing“ کے عنوان سے ایک ورکشاپ کا انعقاد کیا۔ اسی طرح، بینک نے انسٹی

ٹیوٹ آف بینکنگ اینڈ فنانس (NIBAF) اور سنٹر آف اسلامک فنانس، یونیورسٹی آف ایگریکلچرل فیصل آباد کے تعاون سے مختلف جامعات کے اساتذہ کے لیے اسلامی فنانس پرفیکلٹی ڈیولپمنٹ پروگرام بھی منعقد کیا۔ مزید برآں، بینک نے IBA-CEIF کے اشتراک سے بھی ایک فیکلٹی ڈیولپمنٹ پروگرام پیش کیا، جس میں ملک بھر کی مختلف جامعات کے اساتذہ نے شرکت کی۔ ان پروگرامز کے ذریعے شرکاء کو اسلامی بینکاری اور فنانس کا عملی علم حاصل ہوا، جس سے وہ علم و ثرا انداز میں اپنے طلبہ تک منتقل کر سکیں گے۔

میزان بینک نے رفاه انٹر نیٹشل یونیورسٹی کے ساتھ مل کر مائیکرو فنانس اداروں کی سینٹر مینجمنٹ کے لیے ”Operationalizing Islamic Finance Conversion: Challenges and Solutions for Microfinance Institutions“ کے عنوان سے تین روزہ سرٹیفیکیشن پروگرام کا بھی اہتمام کیا، جو کہ اسلامی فنانس انڈسٹری میں شرعیہ کے مطابق عمل اور صلاحیت کی تعمیر کو مضبوط بنانے کی مسلسل کوششوں کے حصے کے طور پر ہے۔

اپنے عملے میں اسلامی ثقافتی اقدار کے مطابق مضبوط اخلاقی اقدار قائم کرنے کے لیے بینک نے سفیدہ کوششیں کی ہیں۔ بینک نے معروف مقررین سے قیادت اور اخلاقی اقدار پر مختلف سیشنز کا اہتمام کیا اور برانچ مینجرز کے لیے ”Role of an Islamic Banker“ کے موضوع پر متعدد سیشنز بھی منعقد کیے گئے۔

بینک نے عوامی آگاہی اور تعلیم کے لیے روزمرہ مالی معاملات سے متعلق موضوعات پر مشتمل ایک اینیمیٹڈ تعلیمی سیریز ”مالی معاملات مولانا عبداللہ کے ساتھ“ کے نام سے متعارف کروائی۔ مزید برآں، گزشتہ سال کے تسلسل میں، بینک کے شرعیہ اسکا لرز کی جانب سے اسلامی بینکاری

شریعہ بورڈ رپورٹ (اردو ترجمہ)

الحمد لله رب العالمین، والصلاة والسلام علی خاتم الأنبياء والمرسلین، محمد المصطفیٰ الأمین، وعلی آلہ وأصحابہ أجمعین، وبعد:

تمام تعریفیں اللہ سبحانہ و تعالیٰ کے لیے ہیں۔ میزان بینک لمیٹڈ کے لیے اسلامی کرشل بینکنگ کا یہ تیسواں سال تھا جس کا جائزہ لیا جا رہا ہے۔ سال کے دوران میزان بینک کے شریعہ بورڈ (SB) نے مختلف معاملات کا جائزہ لینے کے لیے چار مجالس کا انعقاد کیا۔

الحمد لله، اس سال بھی میزان بینک کو پاکستان بینکنگ ایوارڈز کی جانب سے ایک مرتبہ پھر Best Bank of Pakistan کے اعزاز سے نوازا گیا۔ یہ بینکنگ انڈسٹری کا سب سے باوقار اعزاز ہے، جو میزان بینک کو پانچویں مرتبہ اور مسلسل تیسری بار حاصل ہوا۔ یہ اعزاز پاکستان میں اسلامی بینکاری کے فروغ کے لیے میزان بینک کی پوری ٹیم کی محنت اور عزم کی عکاسی کرتا ہے۔

الحمد لله، CFA Society of Pakistan نے بھی میزان بینک کو Best Bank of the Year - Large Size Banks اور Best Islamic Bank of the Year کے اعزازات سے نوازا۔ یہ CFA کے Best Bank ایوارڈ کا مسلسل چھٹا اعزاز ہے، جو ایک بار پھر غیر معمولی کارکردگی کی عکاسی کرتا ہے۔ مزید برآں، Global Islamic Finance Awards (GIFA) کی جانب سے میزان بینک کو Shariah Authenticity 2025 اور Shariah Auditor of the Year 2025 کے اعزازات سے بھی نوازا گیا، جو ایک معتبر بین الاقوامی اعزاز ہے۔

میزان بینک میں ایک شعبہ شریعہ کمپلائنس ڈیپارٹمنٹ (SCD) ہے جس میں پیشہ ور افراد کی ٹیم شریعہ بورڈ کی زیر نگرانی کام کر رہی ہے۔ اس شعبے کا بنیادی مقصد تمام طریقہ کار، محصولات اور مصنوعات میں شرعی تعمیل کو آسان اور یقینی بنانے کے ساتھ ساتھ موجودہ مصنوعات اور طریقہ کار کی اصلاح، اسلامی بینکاری کی تربیت اور آگاہی سہولتوں کا انعقاد اور مالی معاملات میں شرعی تعمیل کا جائزہ لینا شامل ہیں۔ مزید برآں، شریعہ کمپلائنس ڈیپارٹمنٹ، بینک کے شریعہ بورڈ کے سیکریٹری کی ذمہ داری بھی نبھاتا ہے۔

ہم تمام اسٹاک کی کاوشوں کو سراہتے ہیں کہ انہوں نے بینک کے معاملات میں شریعت کے احکامات کی پابندی کے ماحول کو فروغ دیا اور اس کو مزید مضبوط کرنے کے لیے کوشاں ہیں۔ یہ بات ہمارے لئے قابل اطمینان ہے کہ بینک کے اسٹاک، مینجمنٹ اور بورڈ ممبران میں اسلامی بینکاری کی ترویج اور ترقی کے لئے اعلیٰ درجہ کا عزم دیکھا جاسکتا ہے۔

مندرجہ ذیل سطور میں ہم نہایت مسرت کے ساتھ گزشتہ سال 2025 کے دوران میزان بینک کی اسلامی بینکاری کے فروغ کے لئے کی گئی کاوشوں کا ذکر کرتے ہیں۔

نئی پروڈکٹس کی تیاری اور تحقیق:

بینک نے رواں سال حکومت پاکستان (GoP) کے لیے جوائنٹ فنڈل ایڈوائزر (JFA) کی حیثیت سے اپنا قائدانہ کردار جاری رکھا اور 2.056 کھرب روپے مالیت کے GoP صکوک کے اجراء میں اہم کردار ادا کیا۔ قابل ذکر بات یہ ہے کہ پاکستان میں کسی بھی کاروباری سال کے دوران جاری کیے جانے والے GoP صکوک کی یہ اب تک کی سب سے زیادہ رقم ہے۔ ان جرأت نے نہ صرف حکومت پاکستان کے بینکاری نظام کو اسلامی بینکاری میں تبدیل کرنے کی کوششوں میں معاونت فراہم کی بلکہ حکومت کے مالی اخراجات اور بجٹ کے خسارے میں کمی میں بھی اہم کردار ادا کیا۔ یہ تمام صکوک پاکستان اسٹاک ایکسچینج کے ذریعے کامیابی سے جاری کیے گئے، جس کے نتیجے میں معیشت کے تمام شعبوں بشمول عام افراد کو بھی GoP صکوک میں براہ راست سرمایہ کاری اور اپنی سرمایہ کاری پر حلال منافع کمانے کا موقع حاصل ہوا۔

GoP کے JFA ہونے کے ناطے، میزان بینک نے Sustainable Investment Sukuk Framework کے تحت GoP کے پہلے گرین صکوک (Sovereign Green Sukuk) کے اجراء میں بھی حکومت کو مشاورت اور معاونت فراہم کی۔

سال کے دوران، نجی اور سرکاری شعبے کے مخصوص اداروں کے لیے 8 شریعہ کے مطابق سنڈیکیٹڈ فنانسنگ ٹرانزیکشنز 13 صکوک کے اجراء عمل میں لائے گئے، جن میں اجارہ، شرکتی المیتا قصہ اور رنگ مشارکہ جیسے مختلف اسٹریکچرز استعمال کیے گئے۔ یہ لین دین بنیادی ڈھانچے کی ترقی، سرمایہ میں توسیع اور مختلف منصوبوں کی فنانسنگ ضروریات کو پورا کرنے کے لیے کیے گئے۔

میزان بینک نے سنٹرل پاور پراجیکٹ (CPPA) کے لیے ایک منفرد اور تاریخی شریعہ کے مطابق فنانسنگ سہولت کی اسٹریکچرنگ میں بھی کلیدی کردار ادا کیا، جو پاکستان کے بینکاری شعبے کی تاریخ کا سب سے بڑا تھوپی لین دین ہے۔ اس لین دین کو ملک کے ممتاز بینکوں پر مشتمل ایک کنسورٹیم کی معاونت حاصل رہی اور اس نے توانائی کے شعبے میں گردش قرضہ کے مسئلے کے حل میں نمایاں کردار ادا کیا۔ اس شمولیت کے ذریعے میزان بینک نے قومی سطح پر

اسلامی فنانس کے دائرہ کار کو وسعت دینے کے عزم کا اعادہ کیا، نیز بڑے پیمانے پر خود مختار اور انفراسٹرکچر فنانسنگ کے لیے شریعہ کے مطابق حل پر مارکیٹ کے اعتماد کو مزید مستحکم کیا۔

بینک پاکستان میں SME سیکٹر کے لیے مالی سہولیات تک رسائی بڑھانے پر بھی بھرپور توجہ دے رہا ہے۔ مشکل معاشی حالات کے باوجود، SME پورٹ فولیو 65% کے نمایاں اضافے کے ساتھ 2024 میں 28.2 ارب روپے سے بڑھ کر 2025 میں 46.6 ارب روپے تک پہنچ گیا۔ بینک نے اپنے اندرونی طور پر تیار کردہ ڈیجیٹل فنانسنگ پلیٹ فارم کے ذریعے اینگلو پولیمر اینڈ کیمیکلز لمیٹڈ کے ڈیٹرز کو فنانسنگ فراہم کی۔ اسی طرح، بینک نے Haball کے اشتراک سے شریعہ کے مطابق ڈیجیٹل فنانسنگ پلیٹ فارم کے ذریعے نیشنل فوڈ لمیٹڈ اور عیجز کنورژر لمیٹڈ کے ڈسٹری بیوٹرز کے ساتھ ساتھ ایک معروف ملٹی نیشنل کمپنی کے ڈسٹری بیوٹرز کو ڈیجیٹل طور پر فنانس فراہم کرنا بھی جاری رکھا۔ مزید برآں، بینک نے مختلف کارپوریٹ اینکروز سے وابستہ تاجروں، ڈیٹرز اور وینڈرز کے لیے شریعہ کے مطابق SME فنانسنگ حل کو مزید موثر بنانے کے لیے متعدد بینکاروں کی پارٹنرشپ بھی شامل کیا۔

بینک نے دیہی آبادی تک اپنی رسائی بڑھانے کے لیے درج ذیل دوسری شعبے کے مطابق بالواسطہ فنانسنگ مصنوعات کے تحت اپنے فنانسنگ پورٹ فولیو کی تعمیر جاری رکھی:

تجارہ اور مراہجہ طریقوں کے تحت (کاشتکار) فنانس، اس سہولت کے تحت رجسٹرڈ شوگر ملز کے کاشتکاروں کو فصل کی بوائی سے لے کر فصل کی کٹائی تک فنانسنگ فراہم کی گئی اور مانیکر فنانس اداروں کو ہول سیل تھویل دی گئی تاکہ ان کے پلیٹ فارم کے ذریعے یہ ادارے دیہی علاقوں کے چھوٹے پیمانے کے صارفین کو فنانسنگ فراہم کی جاسکے۔

ان اقدامات کے نتیجے میں 2,437 ملین روپے کی فنانسنگ 11,601 استفادہ کنندگان کو فراہم کی گئی، جن میں 7,127 خواتین شامل ہیں، جس سے دیہی علاقوں میں زرعی ترقی اور مالی شمولیت کو فروغ ملا۔

کنز یومر فنانسنگ کے شعبے میں، بینک نے قابل استطاعت ڈیپوزیٹل فنانسنگ حل فراہم کرنا جاری رکھا، جس میں سولر فنانسنگ بھی شامل ہے، جو بینک کے عملے، صارفین اور بچے رول صارفین کو ماسوائے بنیاد پر فراہم کی گئی ہیں۔ سال 2025 کے دوران اس مد میں مجموعی طور پر

Policies and Guidelines

Standards of Ethics, Business Practices & Code of Conduct

The objective of these standards is to promote business practices within Meezan Bank, which are Shariah-compliant, fair, reasonable and reflect high standards of ethical behavior.

The standards of ethics and business practices, which the Bank expects from all of its employees, is a condition of employment with the Bank and may be considered at the time of performance appraisal of an employee.

- Code of Conduct, during office hours or otherwise, shall always be that of a good citizen.
- Act with integrity, competence, dignity, and ethically while dealing with the customers, shareholders, vendors and colleagues.
- Understand and comply with the legal / regulatory requirements and internal policies and procedures of the Bank that apply to the duties assigned to the employee.
- Never willingly enter into a business transaction, which shall violate any law or principles of Islamic finance.
- Never use their position to force, induce, coerce, harass and intimidate any other person, including sub-ordinate to provide any force, gift or benefit, whether financial or otherwise, to themselves or others.
- Avoid professional misconduct involving dishonesty, fraud, deceit or misrepresentation. Any unintentional mistake, wherever possible, shall be immediately rectified and reported to the line manager.
- Not make use of any information including Bank's trade secrets, proprietary, confidential information, gained in the performance of official Bank duties as a means of making any personal profit, gain or benefit for themselves or connected persons.
- Immediately report to the management of pre-existing personal relationship with any existing or potential customer, industry representative or Government employee with whom the Bank has a business relationship. Pending clearance from the management, the employee shall take no further action associated with the business in which a personal relationship exists.
- Will not use the Bank's services or facilities for private purposes except with prior permission.
- Conduct Bank's business with honesty, integrity and in a professional manner.
- Avoid any action on his/her part that may be repugnant, unethical or unlawful.

- Avoid any action on his / her part that may be viewed as repugnant, unethical or unlawful by customers or public at large or the Bank itself.
- Avoid any activities that could involve or lead to involvement in any unlawful or unethical governance practice.
- Avoid participation in any political activities.
- Avoid participation in any other subversive activities.
- Abstain from gambling, betting and wagering contracts.
- Be exemplary in personal conduct towards the Bank, other employees and customers of the Bank.
- Safeguard the confidential information of the Bank and its customers.
- Avoid actual or potential conflicts of interests in transactions on behalf of the Bank.
- Provide accurate and reliable information in records submitted.

Code of Conduct

Confidential Information

Employees shall maintain strict secrecy regarding the Bank's affairs and shall not (except so far as is necessary and appropriate in the normal course of their employment) disclose to any person, any information as to the practice, dealing or affairs of the Bank or any of their customers, which may come to their knowledge by reason of their employment.

During the course of employment and after its termination for whatever reason, the employee must not disclose to anyone (nor use for any purpose other than the business of the Bank) any information relating to the Bank or its employees which is not already available to the public, unless authorized to do so. Such information includes customer data, product manuals, technical secrets, confidential research work, technical processes, operating manuals, marketing plans and strategies and other confidential financial or business information of the Bank.

Recording of Information

No unrecorded fund or assets of Bank shall be established or maintained for any reason. No false, artificial or misleading entries in the books and records of Bank shall be made for any reason. All reporting of information should be accurate, honest and timely and should be a fair representation of the facts.

Conflict of Interest

It is obligatory that:

- An employee may not hold a position

of director, consultant, employee, representative or agent with any supplier, competitor, customer, individual or organization either doing or seeking to do business with the Bank without prior written consent of the Bank's President & CEO. If any immediate family member holds a position, with any organization doing or seeking to do business with the Bank, a written disclosure must be made promptly to line manager / HRD.

- An employee may not hold any interest in any organization doing business with the Bank without the written consent of Regional Manager or Department Head, unless it is a company/establishment quoted on a Stock Exchange and the interest is less than 1 percent.

Mis-declaration/Concealment of Facts

An employee shall not make any mis-declaration or conceal the facts in knowledge. The following are illustrative examples, but are not all-inclusive:

- An employee issuing an incorrect account statement, salary certificate or any other information for any customer or staff member.
- An employee issuing a fake claim for reimbursement of any expenses whereby either the expenses are inflated and/or the difference between expenses claimed and actually incurred are pocketed by the staff member.
- An employee at the time of induction in Meezan Bank (i.e. during interview and in testimonials) provided a false, forged, misleading information or concealed, hid, incompletely stated, any information regarding credentials, academic record(s), previous employment(s) and demographic details.

Know your Customer, Vendors and Counter Parties

In order to safeguard the Bank's reputation and integrity, it is not only necessary for employees to discipline their own actions, it is also necessary to be aware of the character and actions of customers, vendors and counter parties. Care must be exercised in selecting those with whom we deal. Each Meezan Bank business must have processes in place for checking on the credit and character of customers, vendors and counter parties.

Employees must ensure that the Bank establishes relationship with only those individuals, businesses, and entities who have a sound reputation and

whose true identity has been established. Employees should conduct maximum caution in opening new accounts and before opening, ensure that due diligence steps are completed.

Gifts & Entertainment

At certain times of the year, some customers, suppliers, contractors and consultants to the Bank may present gifts or arrange entertainment for employees. While the sentiments behind such actions are usually genuine, there is a possibility that others may misconstrue them. In a minority of cases such actions may not be in the best interest of good working relationships. Gifts may be presented locally or internationally in the form of Cash or in kind of Services, either free or discounted.

Bribery & Misconduct

An employee will be guilty of an offence, who, without lawful authority or reasonable excuse:

- Solicits or accepts any advantage as an inducement or reward for doing or intending to commit any action in relation to the Bank's affairs or business.
- Showing or intending to show favors or disfavours to any person in relation to the Bank's affairs or business.
- Offers any advantage to any one as an inducement or reward for any favor/disfavor or otherwise.
- Intends to deceive the Bank by using any receipt, account or other document which is false or erroneous or defective in any way and which to employee's knowledge is intended to mislead the Bank.
- Takes any cash or near-to-cash benefit from any stake holder of the Bank to provide undue advantage.
- Pays any cash or near-to-cash benefit to any stake holder of the Bank to take undue advantage.

Fraud, Theft or Illegal Activities

Employees shall be alert and vigilant with respect to frauds, thefts or illegal activities committed within the office. If any such activity comes to the attention of an employee, the employee must immediately report the same to the Head of Audit, Head of Operations and Head of Human Resources; who will arrange for appropriate follow-up action to be taken. Failure to report any such activity will be subject to disciplinary action.

Money Laundering

The Bank has set its priority not to become implicated, in any way, with individuals or firms involved in criminal activities and money laundering. The employees are expected to exercise maximum caution in this regard.

The employee should know the customer, be vigilant for unusual circumstances and immediately report any suspected case to the Manager/ Area Manager/Regional Manager/ Compliance Department/Audit Department, who will arrange for appropriate follow-up action to be taken. Failure to report any such activity will be subject to disciplinary action.

Courtesy & Manners

Employees of Meezan Bank shall maintain utmost courtesy and exemplary manners when interacting with clients or with each other. Employees are dealing on behalf of the Bank, so they are required to keep high standards of professionalism and ethics. Any violations of this code shall be brought to the attention of supervising officials as well as the Human Resources Department for their information, record and remedial disciplinary action.

Honesty & Integrity

Employees shall serve the Bank, devote whole time during office hours and discharge their duties honestly, faithfully and use their utmost endeavors to promote the interest of the Bank. They shall behave with decorum, integrity, show courtesy and attention in all dealings with customers, Government officials, senior officers, colleagues, subordinates and general public.

Participation in Political Organizations

No employee shall take part in, subscribe in aid of, or assist in anyway in any political movement in Pakistan during the office timing at the office premises. No employee shall use official influence in connection with or take part in any election to a legislative body, whether in Pakistan or elsewhere.

Ideology of Pakistan

No employee shall express views detrimental to the ideology or integrity of Pakistan.

Direct Representations to the High Govt. & Meezan Bank Officials

No employee shall make any personal representations directly to Chairman, Directors or Members of the Board, or Government functionaries. Such representations must be addressed to the President & CEO through the immediate supervisor of the employee. However this policy does not, in any way, seek to block a citizen's redress to the judiciary and other statutory redresses.

Core Values

- Shariah Compliance
- Integrity
- Service Excellence
- Digitalization

Meezan Bank's Personality

The Bank expects its employees to be:

- Sober
- Truthful
- Committed to excellence
- Empathetic
- Professional
- Extremely loyal
- Dependable friend
- Trustworthy business partner
- Committed to the cause of Islamic banking

Health & Hygiene

Personal Hygiene is the most important aspect of our daily life. The personality is perceived by its degree of neatness. The personal hygiene covers care of body odor, bad breath, teeth, nails, ears, nose, hair, daily shower, shave (if not keeping proper beard), daily wear washed, clean, pressed clothes etc.

Computer, E-mail, Information Security

Meezan Bank computer system contains an e-mail facility, access rights, information and software, which are intended to promote effective communication within and outside the Bank, on matters relating to its business and facilitate routine information flow and smooth and safe transactions.

The e-mail system should therefore only be used for official/business purpose. All communication and information are the property of Meezan Bank and the Bank reserves the right to retrieve the contents of the messages for the purpose of monitoring. The employee shall be held accountable for all activities under his/her password.

Dress Code & Professional Attire

Attire is a reflection of professionalism as well as that of the Bank's brand and personality. A professional business appearance together with a high standard of personal hygiene is expected from all employees. The Official Dress Code of Meezan Bank is professional corporate attire inline with traditional Islamic modesty. At Meezan Bank every staff member is expected to have a professional business appearance together with a high standard of personal hygiene.

Guidelines on Whistle-blowing

The purpose of these whistle blowing guidelines is to provide a mechanism to Bank's stakeholders (employees, customers, vendors, etc.) to report any activity which in their opinion may cause financial and/or reputational loss to the Bank. The major objectives of whistle blowing policy can be classified as:

- To provide an environment whereby stakeholders feel confident to blow the whistle without any fear of reprisal, subsequent discrimination and of being disadvantaged in any way;
- To develop a culture of accountability and integrity;
- To create awareness amongst stakeholders regarding the whistle blowing function; and
- To be a source of early warning signal.

Scope

The scope of these guidelines includes, without limitation, disclosure of all types of unlawful acts/orders, fraud, corruption, misconduct, collusive practices or any other activity which undermines Bank's operations, financial position, reputation and mission.

Who Must Blow the Whistle and How?

It is the responsibility of each and every stakeholder of the Bank, instead of limiting it to a particular department or senior management only, that if any stakeholder observes any suspicious, fraudulent or unethical activity, transaction or act that may cause a potential threat to the Bank or could be against the interest of the Bank, he/she must immediately report this

to Whistle Blowing Unit through various modes including but not limited to Meezan Bank's website, E-mail, fax, mobile and landline.

Confidentiality & Protection of Whistle Blowers

The whistle blowing mechanism has been designed to ensure complete confidentiality of the entire process and also enables the bank to take immediate corrective measures. Identification of the whistleblower is kept completely confidential except as required by law or who have legitimate right to know. The Bank stands committed to protect whistleblowers for whistle blowing and any subsequent harassment or victimization of the whistleblower is not tolerated.

Guidelines for Safety of Records of the Company

Comprehensive guidelines are in place at Meezan Bank for ensuring that physical documents are being archived in an organized, efficient and reliable manner. These guidelines encompass detailed processes for preservation, organization, transfer, retrieval and destruction of physical records. The guidelines comprise of the following elements:

General Guidelines

This section deals with the role of the Administration Department in providing an Archive facility outside the branch and provides guidelines on when old records will be transferred to the archive, signatories that may authorize retrieval of records, treatment of records under litigation / dispute, type of records that may be kept under fire-proof cabinet, and the convention to be followed for allocating serial numbers to archived records.

Preservation of Old Records

This section deals with maintenance of old records in a secured environment and the procedure for documenting their complete details to facilitate retrieval and destruction after expiry of retention timelines. This section also defines the responsibilities of the Archiving Officer.

Procedures to Handle Records at Archives

These are detailed procedures with clearly allocated responsibilities of Branch/Head Office departments and archiving officers for transferring/retrieval of records to and from Archives.

Destruction of Records

This section provides guidelines about the type of records that need to be retained permanently or till the time approval from Regulators is obtained for their destruction. e.g. cases in litigation, records relating to suspicious transactions, etc. Relevant Branch

Manager/Area Manager/Departmental Head is responsible for checking and verifying the list of records that need to be destroyed. For branch records, Head Office operations will finally approve branch's request for destruction of record, which will be carried out in the presence of Branch Manager and Operations Manager.

Retention of Old Records

These guidelines outline the various types of records and the recommended period for their retention and subsequent destruction in view of the Banking Companies Ordinance, SBP Prudential Regulations and other regulatory requirements.

Standardized Formats

Formats for forms and registers have been provided to facilitate standardization and controls across Meezan Bank's network.

Summary of Sustainability and Corporate Social Responsibility Policy

Purpose

The purpose of this Sustainability & CSR Policy is to provide a framework for incorporating sustainability into the Bank's operations and sets out the framework for the Bank's Sustainability & CSR activities.

Scope of Sustainability & CSR Policy

The Sustainability & CSR Policy shall support business decision making at all levels of the Bank and will provide a frame of reference for dealing with environment and corporate

social responsibility activities undertaken by Meezan Bank. It is applicable to all of the Bank's organizational units and departments and may include projects and business-related activities being implemented independently by Meezan Bank or projects undertaken in coordination with other entities.

Areas of Focus

The Bank shall focus on the environment sustainability, education, stakeholders engagement, sustainable operations or any other areas as decided upon by the

Management, to ensure sustainable performance of its operations. Furthermore, Meezan Bank may contribute in the form of financial assistance, providing logistic support and availability of human resources for charitable causes in various sectors including, but not limited to the ones mentioned below, as per the Management's discretion.

The Bank may also encourage its employees to volunteer and contribute in its Sustainability and CSR initiatives.

Summary of Green Banking Policy

Scope and Objective

The Green Banking Policy of Meezan Bank has been prepared in light of the "Green Banking Guidelines" issued vide IH&SMEFD Circular # 08 dated October 09, 2017 & Environmental and Social Risk Management Implementation Manual issue vide IH&SMEFD Circular Letter No.

12 of 2022 of State Bank of Pakistan. The objective of this policy is to institutionalize Green Banking across the Bank by focusing on the following major aspects:

- Governance Structure and Responsibilities
- Organizational Structure
- Environmental & Social Risk

Management Framework

- Green Business Facilitation
- Own Impact Reduction/ In-house Environment Management
- General Guidelines

Summary of Information Security Policy

Information Security relates to protection of valuable assets against loss, misuse, disclosure or damage. Each asset has to be reviewed from the perspective of its Confidentiality, Integrity and its Availability to the authorized personnel. A number of factors play a critical role in the successful implementation of information security.

Information Security Policy

The Information Security Policy defines the policies and procedures to ensure that information is adequately protected against improper and uncontrolled disclosure. Meezan Bank's Information Security Policy is based on ISO 27001. The policy comprises of the following domains:

Organization of Information Security

In order to manage information security within the Bank, a framework has been established by the Bank's management to initiate and control the implementation of information security within the organization.

Identification and Prioritization of Information System Assets

To ensure the criticality of information system assets is defined in line with the Tier Classification.

Risk Assessment & Treatment

To review IT System and Operation for identifying and mitigating the risk that could affect Meezan Bank's infrastructure through internal and external attacks. The basis of these assessments is the Confidentiality, Integrity and Availability (CIA) of the information assets and services.

Cyber Security Action Plan

Cyber security action plan is developed to proactively address the likely cyber-attacks in order to anticipate, withstand, detect and respond to cyber-attacks in line with international standards and best practices.

Cyber Crime and Methods of Prevention

To protect the Bank against the range of cybercrimes by formulating methods of Prevention.

Human Resources Security

This segment of the policy ensures that the Bank's employees, contractors and third-party users understand their responsibilities and are suitable for the roles they are considered for, thereby reducing the risk of theft, fraud or misuse of facilities.

Asset Management

An approach is used to manage an organization's assets to achieve strategic objectives, enhance value, and ensure sustainability

Access Control

To control the access to information processing facilities and business processes based on business and security requirements.

Cryptography

To protect the confidentiality of information by Cryptography (The conversion of data into a secret code for transmission over a public network.)

Physical and Environmental Security

To prevent unauthorized physical access, damage to, and interference with the Bank's premises (head office and branches) and information.

Operations Security

To ensure correct and secure operation of information processing facilities.

Threat Intelligence and Industry Collaboration

Share, gather and interpret Information about technical vulnerabilities and relevant cyber threats arising from information systems, services, utility providers and other banks.

Communications Security

To maintain the integrity and availability of information and information processing facilities.

Remote Working

Remote working facility provision shall only be facilitated in a controlled manner with pre-requisites defined in the procedure. The remote working arrangement is subject to system and VPN provision according to job-role and need-to-use basis.

Information Systems Acquisition, Development and Maintenance

To ensure that security measures are always built into and are an integral part of all information systems.

Supplier Management

To ensure the protection of the organization's information assets that is accessible by IT suppliers for providing IT service delivery.

Management Consideration For Outsourcing Technology Service Providers

Outsourcing of IT related services shall comply with requirements of the Bank's outsourcing policy and applicable regulatory requirements.

Information Security Incident Management

To ensure that information security events and weaknesses associated with the Bank's information systems are communicated in a manner that allows timely corrective action to be taken.

Information Security Aspects of Business Continuity Management

To counteract interruptions to business activities and to protect critical business processes from the effects of major failures of information systems or disasters and to ensure their timely resumption of bank Operations.

Compliance

To ensure compliance in order to avoid breaches of any law, statutory, regulatory or contractual obligations, and of any security requirements.

IT Governance Framework

Scope

This framework establishes Governance for the Information Technology Division for the Bank under the supervision of IT Steering Committee, Board IT Committee and Board of Directors. The framework paves the roadmap on which IT Division provides services to Bank's business functions and ensures that the Bank's business operations are driven based on Technology Solutions.

Objective

The basis of this framework comprises of strategic alignment between IT and Business for value delivery. The framework ensures that the technology meets business objectives through monitoring compliance to policies and procedures along with proactive resolution of technology-based risks and threats. This framework is also aligned with the Cyber/Information Security Policy of the Bank which is based on ISO 27001.

Executive Summary

Establish alignment with business to evaluate current and future use of technology and direct its preparation and implementation by enabling delivery of cost-effective technology solutions and services. This framework describes all functions of the IT Division in the form of services which results in business benefits. It consists of five core services area (IT Service Strategy, IT Service Design, IT Service Transition, IT service Operations and Continual IT Service Improvement) that cover best practices and guidelines within IT management.

Key Areas – IT Management Policy

Key areas in Meezan Bank IT Management Policy are as follows:

1. IT Capacity and Performance Management provides guidelines for maintaining scalable IT capacity and making the best and optimal use to meet the performance requirements expected by the business.
2. IT Project Management defines standard and best practice guidelines for project management to assure that they are accomplished in timely, cost effective manner. It is governed by PMO Charter.
3. Change Management emphasizes on managing all changes within the IT environment including emergency changes, fixes and patch management to minimize the disruption in services.
4. IT Helpdesk and Problem Management ensures incidents and problems related to systems are reported, tracked investigated and resolved in effective and efficient manner.
5. Service Level Agreement Management ensures the SLAs are established, agreed between vendors and IT in line with Business needs to gauge the service delivery performance.
6. IT System Acquisition Management caters the way the IT Systems should be procured in line with Bank's expenditure policy.
7. Configuration Management covers the rules for configuration of information technology devices and infrastructure for tracking and controlling all changes to information systems of the Bank.
8. IT Compliance Management defines the way ITD works under compliance guidelines.
9. IT Continuity Management covers the aspect of Disaster Recovery Plan in case of any service disruption.
10. IT Backup and Restoration Management defines the rules for backup and storage of electronic information within the entity that are responsible for electronic data stored in archive.
11. IT Outsourcing Management defines the framework for outsourcing of IT services.
12. Software Solution Development and Maintenance Management facilitates the effective development and maintenance of Software solutions to compliment business functions.
13. IT Infrastructure Management determines the process for requirements analysis, planning, design, deployment and on-going operations management. It also ensures technology is accessible and equipped with current hardware and software for application management.
14. Network Management defines the principles covering internal and external network environment operated by the Bank including Logical Access Management, Infrastructure security, Operational Management and Bandwidth Management.
15. Database Management aims at ensuring the availability, integrity, security, consistency and accuracy of the Bank's database.
16. Virus and Malware Management ensures that systems, database and software are protected against the risk to malicious software and unauthorized code.
17. Internet and Intranet Usage Management defines the rules for Internet usage.
18. Desktop Support Management defines the principle covering the IT related Support activities and covers the Installation and configuration of desktops in branches and providing first level support.
19. Outsourcing to Cloud Service Providers (CSPs) defines the controls of outsourcing IT services to cloud.

Salient Features - Directors' Remuneration Policy

1. Remuneration shall be fixed in Pakistani Rupees (PKR) invariably; nevertheless, payment of the same can be made to foreign Directors in equivalent foreign currency(ies), where necessary, after obtaining the regulatory approvals as may be required from time to time.
2. No single member of the Board of Directors shall determine his/her own remuneration.
3. Proper and transparent disclosure of remuneration and other benefits/facilities provided to the Board members shall be made in the annual financial statements of the Bank, as per SBP instructions issued from time to time.
4. The Fees for attending the Board and its Committee meetings shall be within the prescribed limits of State Bank of Pakistan.

5. The Board and Committee meeting fees will be approved by the shareholders in Extraordinary Annual General Meeting, on pre or post facto basis on the recommendation of the Board and Board Human Resources, Remuneration & Compensation Committee. The meeting fee, in any case, shall not exceed the limits prescribed by the Regulators.
6. All traveling/boarding/lodging expenses of the Directors related to Attendance of Board Meeting(s)/ Committee Meetings will be borne by the Bank at actuals. Expenses such as hotel stay etc. incurred due to personal reason or reason other than performance of Bank's duties and business will be borne by the concerned Director.
7. No additional payments or perquisites will be paid to the Non-Executive Directors and Chairman except as mentioned in above clauses.
8. No consultancy or allied work shall be awarded to a Director or to the firm(s), institution(s) or company(ies) etc. in which he/she individually and/or in concert with other Directors of the Bank, holds substantial interest.
9. No remuneration under this policy would be paid to the Executive Directors except travel and boarding costs as per the Bank's standard rules and regulations and relevant laws.

Material Risk Takers (MRTs) & Material Risk Controllers (MRCs) – Remuneration Policy

Introduction

Effective Remuneration policies and practices are crucial for achieving organizational objectives, fostering engagement, and maintaining competitiveness. Meezan Bank's policy underscores the significance of sound Corporate Governance, particularly in the financial sector. Meezan Bank recognizes the importance of a well-structured remuneration system for executive members and senior management in light of global financial crises and regulatory guidelines.

This comprehensive Remuneration Policy reflects Meezan Bank's commitment to fairness, transparency, and a balanced approach to compensation, in line with regulatory guidelines and global best practices. The Policy articulates the principles and philosophy that guide compensation decisions, emphasizing commitment to the organization's Vision, Mission, and the values of a Meezan Family Member. It aligns with the 'The Guidelines on Remuneration Practices' by the State Bank of Pakistan, emphasizing fairness, transparency, and a pay-for-performance culture.

Purpose

The Bank's Remuneration Policy aims to:

- a. Ensure a balanced mix of fixed and variable pay based on role complexity.
- b. Promote sound risk management and discourage excessive risk-taking.
- c. Align rewards with risk exposure, attaching decisions to risk profiles.
- d. Encourage long-term employee association through Short-Term and Long-Term Incentive initiatives.

Factors Considered for Differentiating the Variable Pays Across Employees or Group of Employees

The variable pay differentiation across employees or groups is based on a variety of performance measures. These measures are designed to assess individual and team contributions to the organization. For MRTs & MRCs, the variable compensation may be deferred and tied to specific performance criteria, such as the achievement of predetermined financial goals or successful risk management outcomes. Additionally, the committee responsible for determining variable compensation levels may consider the overall risk profile associated with the roles of the employees or groups, ensuring alignment with the bank's risk management strategy.

Description of Material Risk Takers (MRTs) / Material Risk Controllers (MRCs)

MRTs are individuals, including the President & CEO and Key Executives, who possess significant power and control over various products, portfolios, transactions, and processes, exposing the bank to inherent risks. MRTs are identified based on their responsibilities such as credit approval, decision-making on credit proposals, and authority in approving new products with significant risks etc.

MRCs, on the other hand, primarily focus on reviewing and assessing systemic risks related to processes, products, and functions. Key Executives may be exclusively identified as MRCs, with specific responsibilities in evaluating potential losses and taking action to reduce or eliminate such risks. Departments like Compliance, Risk

Management, and Internal Audit fall under the category of MRCs.

Measurement of Current and Future Risks, and Performance Alignment for MRTs / MRCs

The compensation frameworks for MRTs and MRCs are established to maintain a suitable equilibrium between fixed and variable remuneration. This takes into account several factors, including the following:

- Categorization as MRT/MRC
- Position within the organizational structure
- Roles and duties
- Alignment with risk (i.e., greater variable remuneration for higher assumed risks)
- Performance evaluation based on financial and non-financial objectives and key performance indicators (KPIs), incorporating risk-adjusted factors.

The Bank adopts a holistic approach to assess current and future risks including reporting lines to the CEO, contributing to the final identification of MRTs and MRCs. For MRTs & MRCs, the Balanced Scorecard integrates significant quantitative Key Performance Indicators, ensuring a harmonious balance between profit objectives and risk management.

Remuneration Independence of MRCs from Functions they Oversee

To ensure the independence of MRCs, their compensation and appraisal are designed to be completely independent of the business units they review. This independence helps in maintaining objectivity in their evaluation of risks and their recommendations for risk mitigation strategies.

How We Engage with Our Stakeholders

Meezan Bank maintains active engagement with its stakeholders to drive its business. All stakeholder engagement is driven by the Bank's Core Values – Shariah-compliance, Integrity and Service Excellence, to address its business impact and to enhance the value created.

Key Stakeholders	Modes of Engagement	Frequency	Key Initiatives
Customers  Value Created Promote financial inclusion, fair treatment and high customer satisfaction and loyalty.	Online, phone, social media and postal communication		- Expanded digital engagement through new platforms, including TikTok and the WhatsApp Channel, to reach emerging audiences while maintaining Shariah-aligned brand integrity. - Strengthened two-way engagement through prompt response and follow-up to customer queries and feedback across official channels. - Rolled out Fraud Awareness and Cyber Security campaigns across social media to promote safer banking. - Launched Meezan Quiz Mania (Second Edition), receiving 4,600+ entries, enhancing customer participation and awareness. - Delivered values-based webinars including "Living the Spirit of Ramadan Beyond Fasting" by Dr. Muhammad Imran Ashraf Usmani (covering Zakat, Sadaqah, Halal earnings, avoidance of Riba and Shariah-compliant financial practices) and "Leadership in the Light of Seerah". - Introduced AI-generated video content to scale educational content and improve reach. - Initiated the Bank's first influencer marketing initiatives, strengthening digital presence.
	Customer satisfaction surveys and feedback		
Shareholders  Value Created Create shareholder value and build strong corporate governance. Minimize non-compliance resulting in any potential sanctions, penalties and/or reputational loss.	Financial statements		- Consistent payment of dividend - Conducted one corporate briefing session - Conducted two analyst briefing sessions - Conducted one investor briefing session
	General Meetings (AGM/EOGM)		
	Media releases		
	Corporate briefing sessions		
	Responding to multiple queries of institutional investors and ESG analysts		
Regulatory Bodies  Value Created Enhance capability to adapt to regulatory compliance and establish strong risk management and control.	Regular engagement for matters impacting business and compliance through face-to-face, written and telephonic communication		- Conducted 352 AML/CFT/CPF compliance, governance and controls sessions for 6,900+ employees. - Delivered 3 online sessions on Sanction Screening & FIRCO compliance, attended by 500+ staff members. - Delivered 3 online sessions on Account Opening, KYC and Customer On-Boarding, attended by 752 staff members. - Delivered a total of 378 regulatory and compliance trainings, with 7,030 participants.
	Audit and annual reports		

Key Stakeholders

Employees



Value Created

Manage employee relations to create an inclusive and learning environment. Encourage talent attraction and retention.

Community



Value Created

Support economic, social and sustainable development and green banking while ensuring ethical and Shariah-compliant business practices.

Media



Value Created

Encourage positive brand building, mitigate reputational risks.

Modes of Engagement

Frequency

Key Initiatives

CEO messages on regular and topical subjects



Training initiatives



Employee Satisfaction Survey



Offsite strategy sessions & townhall meetings



Employee benefits including compensation, medical, performance bonuses & end of service benefits



Internal newsletter & intranet



Inter-departmental sports and recreational activities



- Delivered 6 "Excellence in Islamic Banking Leadership" sessions for 210 senior executives.
- Conducted Islamic Banking Certification (Level I) nationwide (240 classroom participants and 260 via Zoom).
- Delivered refresher and upskilling programs: Deposit Refresher (202 sessions; 11,081 employees), Financing Refresher (14 sessions; 494 employees) and Product Refreshers (23 sessions; 1,787 employees).
- Delivered learning at scale through 888 internal and 173 external trainings; conducted 59 induction sessions for 3,200+ participants.
- Expanded digital learning via 46 micro e-learning modules.
- Advanced inclusion, wellbeing and safety through PWD sensitization and Banking on Equality trainings, Roshnaas Orientation for PWDs, Cancer Awareness sessions for 400+ female employees, Sign Language Training at PWD Model Branches, and First Aid & CPR for Head Office staff.
- Implemented role-based development for Area Managers, Branch Managers and Area Operations Managers.
- Strengthened internal training capacity through 11 Train-the-Trainer sessions, developing 259 in-house trainers.

Financial literacy initiatives



Hiring individuals with sensory and physical disabilities



Sponsoring various fundraising events



Building the Islamic Financial industry



- Released animated series "Maali Muamlaat Maulana Abdullah Kay Saath", promoting financial and social conduct.
- Strengthened awareness of CSR and knowledge-sharing through Islamic Finance Leaders and Vocational Champions, in collaboration with multiple partner organizations.
- Launched Meezan Justuju, a fully funded talent development program to equip fresh graduates with Islamic finance knowledge and skills.
- Conducted Seerat-un-Nabi sessions for staff, led by senior Shariah scholars (including Maulana Abdul Sattar Saheb, Chairman, Bait-us-Salam).
- Delivered Ramadan-focused internal engagement on integrating Islamic teachings into personal & professional life.
- Conducted Sign Language Training for staff at designated PWD Model Branches.
- Conducted a session series on Surah An-Nisa (Guidance for Women in Life & Work).
- Educational series "Paigham-e-Ramadan" launched to sustain outreach throughout Ramadan.
- Released a Ramadan donation campaign in collaboration with NGOs/partners, encouraging customers to contribute Zakat and donations via digital channels.

Ads through print, electronic, social media and website



Interviews on print and electronic channels



Social media platforms



- Regular and frequent visibility of the Meezan Bank in local, regional and international media through press releases, articles and interviews of senior management

Suppliers  Value Created Ensure continuous supplier evaluation towards ethical practices & quality management. Encourage accessible whistle-blowing channels.	Regular meetings	
	Vendor briefings	
	Purchase agreements	
		

 Quarterly
 Semi-annually
 Annually
 Regularly/Continuous
 On need basis

Investor Relations Section on Corporate Website

Meezan Bank ensures regular, two-way engagement with investors through multiple channels, including its corporate website, which is consistently updated with key business announcements, financial results, and regulatory disclosures.

The Investor Relations section serves as a central platform for stakeholders, providing financial highlights, board and management details, external auditors, historical and current financial data, shareholding structure, investor relations and grievance mechanisms, dividend details, and a direct link to the Securities and Exchange Commission of Pakistan’s (SECP) Service Desk Management System (SDMS).

To facilitate shareholders, the following information is prominently available on the website:

- Contact details of the Share Registrar
- Contact information of the Bank’s focal person for investor grievances
- Designated email for share/dividend-related queries and complaints
- Key documents, including Notice of AGM, Proxy Form, Dividend Mandate Form, and Transfer Deed

Additionally, the Bank ensures up-to-date investor relations & Company Secretariat contact details for shareholders, analysts, and investors.



The relevant section is available on the Bank’s website: <https://www.meezanbank.com/investor-relations/>

Steps To Encourage Minority Shareholders' Participation In General Meetings

The Bank safeguards minority shareholders' interests & ensures their participation in general meetings through the following measures:

- Shareholders' meeting notices are promptly announced on the Pakistan Stock Exchange (PSX) and published in national newspapers.
- Notices are dispatched to shareholders’ registered addresses as per regulatory requirements.
- Annual Reports are sent electronically before the AGM, with hard copies available upon request.
- Shareholders may appoint proxies if unable to attend the AGM/EOGM.
- A comprehensive performance overview and future outlook are provided in both English and Urdu.
- Shareholders are encouraged to share feedback, raise queries, and engage in discussions.
- The Bank ensures full regulatory compliance and actively promotes minority shareholder participation in meetings.

Summary of Corporate & Analyst Briefings

Corporate and Analyst Briefings enable the Bank to share business updates with shareholders and investors. As per PSX requirements, all listed companies must hold at least one Corporate Briefing Session (CBS) annually. The Bank conducted separate Corporate and Briefing sessions during the year.

These interactive sessions covered performance, strategy, business environment, and digital transformation initiatives, providing stakeholders with a clear perspective on operations.

To facilitate shareholders and accommodate regional analysts and fund managers, conference call facilities were provided. All relevant information and presentations are subsequently uploaded to the Investor Relations section of the Bank’s website.



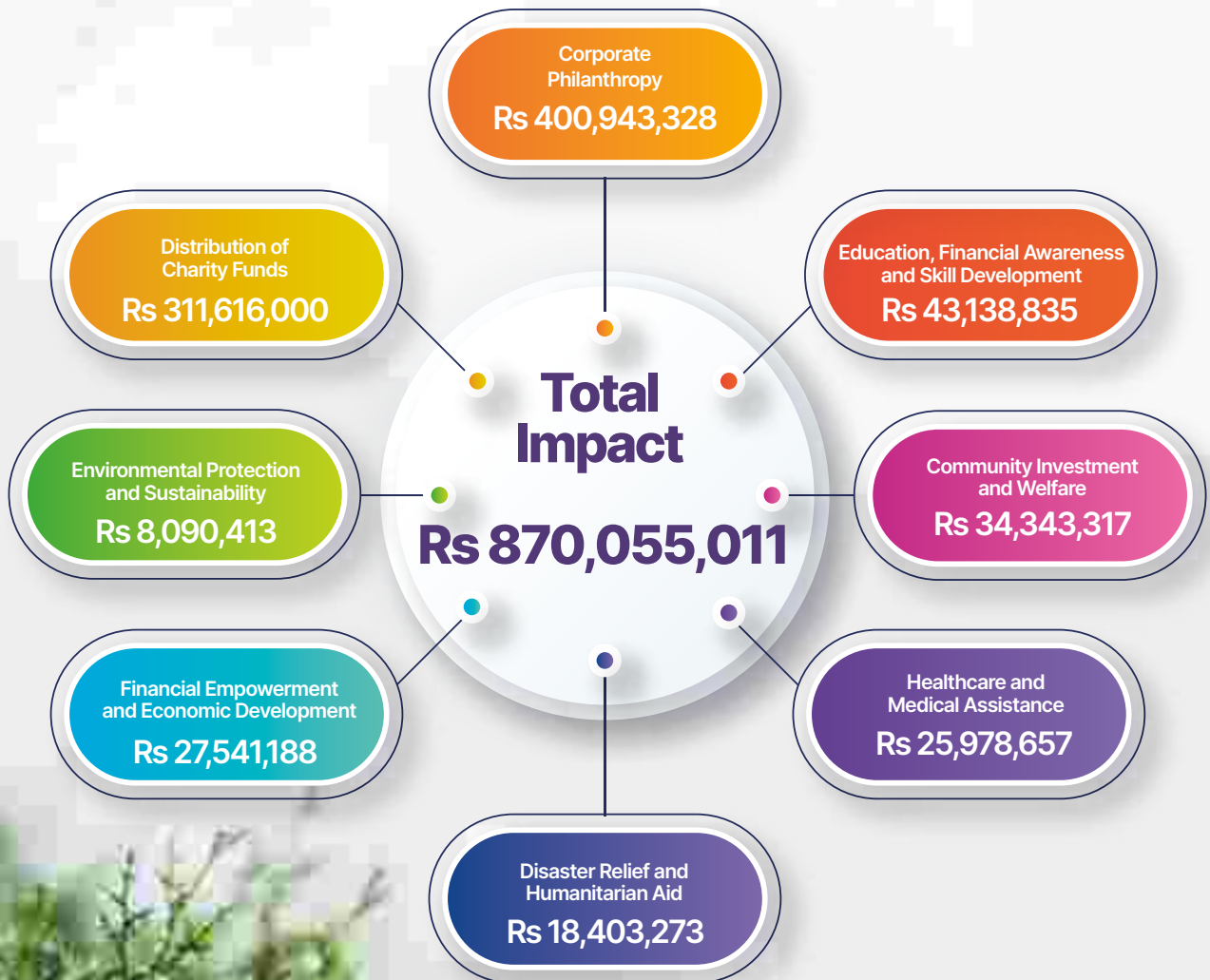
These Investor Presentations are available on the Bank’s website.

Dates:

Analyst Briefing Session	February 26, 2025
Analyst Briefing Session	April 23, 2025
Corporate Briefing Session	August 20, 2025
Analyst Briefing Session	November 10, 2025

Statement of Corporate Social Responsibility & Charity Distribution

As a responsible corporate entity, Meezan Bank remains committed to making a meaningful impact on society. Over the past year, the Bank has actively supported a range of initiatives focused on corporate philanthropy, education, financial literacy, skill development, healthcare, disaster relief, environmental sustainability, community welfare, empowerment, and economic development. These efforts have been facilitated through funding, donations, scholarships, sponsorships, and distribution of charitable funds. Details of contributions to various causes are as follows:



Corporate Social Responsibility Report

4 QUALITY EDUCATION



Education, Financial Awareness & Skill Development

Meezan Justuju Program

Pakistan currently faces significant economic challenges including poverty, unemployment and high illiteracy. However, Pakistan also has one of the world's largest youth populations, with over 60% of its population estimated to be under 30 years old. This demographic advantage presents immense potential for socio-economic growth but requires effective strategies to bring positive results. A major challenge at present is high youth unemployment and a mismatch between the skills youth are taught and the skills required by the job market.

In view of this challenge, Meezan Bank has launched 'Meezan Justuju Program', a flagship CSR program of Meezan Bank in which the Bank provides skills to the under-privileged youth thereby creating employment opportunities for them. During the year, the Bank collaborated with various institutions to provide the following skills:

Vocational & Technical Education

The Hunar Foundation

Meezan Bank partnered with The Hunar Foundation to train 100 candidates in various technical fields including Automobile Mechanics, Industrial Electrician, Welding and Fabrication, Machinist, Heating, Ventilation & Air Conditioning.



Dr. Syed Amir Ali - President & CEO, Meezan Bank at the MoU signing ceremony along with Mr. Tahir Javed - CEO, The Hunar Foundation

Shahid Afridi Foundation

Meezan Bank partnered with the Shahid Afridi Foundation to train 30 women in specialized sewing and embroidery.



Mr. Ahmed Ali Siddiqui - Group Head Consumer Banking, Meezan Bank, while presenting the cheque to Mr. Shahid Afridi - Chairman, Shahid Afridi Foundation

Memon Industrial & Technical Institute (MITI)

Meezan Bank collaborated with Memon Industrial & Technical Institute (MITI) to train 40 candidates in technical fields including Electrician, Heating, Ventilation & Air Conditioning (HVAC) and Mobile Repair.



Islamic Finance Education

IBA - CEIF

Meezan Bank collaborated with the Institute of Business Administration - Centre of Excellence of Islamic Finance (IBA-CEIF) to offer fully-funded Islamic finance certification to the youth. During the year, two batches were launched which benefitted over 200 students.



Mr. Arsalan Ahmed Khan - Head Talent Acquisition & Digital HR Solutions, Meezan Bank while speaking at IBA, Karachi

200

Students benefitted from training in 2 batches

Over

3,100

Applicants

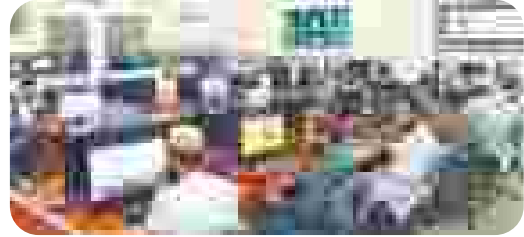
IT Related Trainings

IBA – CICT

Meezan Bank has collaborated with the Institute of Business Administration - Center for Information & Communication Technology (IBA-CICT) to train a batch of 50 students in digital marketing.

HIRA Institute of Emerging Sciences

Meezan Bank, in collaboration with HIRA Institute of Emerging Sciences (HIES) offered a two-month skill development course on Information Technology for a batch of 45 madrasa students.



Students of HIRA Institute of Emerging Sciences (HIES) participating in skill development training program

6 Months

digital marketing course
IBA-CICT

50 Students

trained at IBA-CICT

45 Madrasa Students

trained at HIES

Establishment of Centers of Islamic Finance

Meezan Bank supported the establishment of Centers of Islamic Finance at several Institutions during the year including:

- NED University on Engineering & Technology
- National Institute of Public Administration (NIPA)
- Bahria University Karachi
- The Islamia University of Bahawalpur
- University of Agriculture, Faisalabad
- Balochistan University of Information Technology, Engineering & Management (BUIEMS) Quetta
- Hailey College of Commerce, Punjab University



Mr. Shayan Ahmed Baig - Head Shariah Compliance & Mr. Anwar ul Haq - Distribution Head Central I, Meezan Bank along with the Senior Management team of Hailey College of Commerce

Donation to Support Al Furqan Schools

Meezan Bank contributed to the education and welfare of 150 underprivileged children at Al Furqan School, Gulistan-e-Johar.

Meezan Industry Fellowship Program

Meezan Bank launched the “Meezan Industry Fellowship Program” during the year. The unique initiative was designed to provide faculty members from leading universities across Pakistan with practical exposure to Islamic banking and finance. The lecturers participating in this program represented renowned institutions including SZABIST, FAST Karachi, IoBM, Islamia University of Bahawalpur, Bahria University Karachi, etc.

International Engagements & Delegation Visits

In 2025 several international delegations visited Meezan Bank, including delegates from Malaysia, Senegal, Nigeria, Tanzania and Ethiopia. The delegations explored the Bank's Shariah-compliant practices and operations with a view to replicating its success back home, further reinforcing Meezan's position as a trailblazer in Islamic finance across the region.



International delegates during their visit to Meezan Bank Head Office

3 GOOD HEALTH AND WELL-BEING



Health Care & Medical Assistance

Meezan Bank Donation to Shahid Afridi Foundation

Meezan Bank is pleased to partner with the Shahid Afridi Foundation (SAF) to support its Mother & Child Health Mobile Unit initiative, aimed at delivering essential healthcare services to underserved communities.

As Pakistan's leading Islamic bank, Meezan Bank remains dedicated to uplifting all segments of society and contributing towards a healthier and more inclusive future.

The Shahid Afridi Foundation (SAF) is a non-profit organization in Pakistan with globally registered chapters in the USA, UK, Australia, and South Africa.



1000
Mothers &
Children Served

182
Ultrasound

213
Laboratory
Tests

Continuing to expand its reach and impact in providing free, quality healthcare, SAF has partnered with various organizations to launch its first Mother & Child Mobile Health Clinic in Chakwal and its adjoining areas. Within the first month of its operations, the mobile unit has served 1,000 mothers and children, conducted 182 ultrasound examinations, and performed 213 laboratory tests.

Sponsorship for Indus Hospital Cricket Championship



Meezan Bank provided sponsorship to Indus Hospital & Health Network for its involvement in the 5th Annual Corporate Cricket Championship. This sponsorship facilitated Indus Hospital's participation, promoting corporate engagement and community outreach, aligning with Meezan Bank's CSR objectives of advancing healthcare initiatives and wellness programs.



Mr. Muhammad Raza, Group Head – General Services & Customer Support, presenting the cheque to Dr. Abdul Bari Khan - President, The Indus Hospital & Health Network (IHNN)

Donation to Al-Mustafa Welfare Society



Meezan Bank contributed to Al-Mustafa Welfare Society for the procurement of an Ultrasound Color Doppler Equipment with five probes. This healthcare-focused donation enhanced diagnostic capabilities for the organisation, aligning with the Bank's CSR objectives of supporting community welfare and medical infrastructure.



Rs 4,300,000
Donated for an
ultrasound machine

Mr. Muhammad Raza, Group Head - General Services & Customer Support, Mr. Riaz Ahmed - General Manager, Administration & Mr. Mehboob Alam Khan, Head of MEP, Sustainability & HSE, from Meezan Bank while handing over the cheque at Al-Mustafa Welfare Society

Commitment to Breast Cancer Care: Contribution to KIRAN Hospital



Meezan Bank has made a corporate social responsibility (CSR) based donation to the KIRAN Patients Welfare Society (KIRAN Hospital), for the support of breast cancer patients.



Mr. Tabraiz Yousufzai - Head Home Remittance from Meezan Bank handing over the cheque to the KIRAN patient Welfare Society (KIRAN Hospital)

Support for Breast Cancer Patients, Bait-ul-Sukoon Trust



Meezan Bank extended its support to the Bait-ul-Sukoon Trust to facilitate the treatment of breast cancer patients from underprivileged communities. Bait-ul-Sukoon Cancer Hospital & Hospice is the only institution in Pakistan providing comprehensive cancer care including diagnostics, surgery, chemotherapy, radiotherapy, and palliative services completely free of cost. The Bank's contribution, in collaboration with a 50 percent cost support from Roche Pakistan, helped ensure access to critical treatment for deserving patients facing financial hardship.



Mr. Muhammad Raza - Group Head, Customer Support & General Services, Meezan Bank at the cheque handover ceremony at Bait ul Sukoon Trust

Supports for NIBD's CARE Program



Meezan Bank allocated funds to the National Institute of Blood Disease (NIBD) to support the Comprehensive Assistance for Regular Transfusions Program, enhancing NIBD's capacity to provide blood transfusions and healthcare services.



Mr. Muhammad Raza - Group Head, Customer Support & General Services, and Mr. Riaz Ahmed - General Manager, Administration, Meezan Bank at the cheque handover ceremony at NIBD

Rahat Kada Hospice Solar Installation Project



Meezan Bank installed a 45 KW solar energy system at Rahat Kada Hospice, a project of the Medical Aid Foundation Cancer Division. The solar project has significantly reduced the Hospice's electricity expenses, thereby enhancing its operational efficiency and supporting healthcare services.



Meezan Bank's team at Rahat Kada Hospice during a site inspection for the solar project installation.

13 CLIMATE ACTION



15 LIFE ON LAND



Environmental Protection & Sustainability

Partnership with WWF-Pakistan

Meezan Bank partnered with WWF-Pakistan, the country's largest conservation organization, in a meaningful initiative aimed at environmental conservation through the plantation of 10,000 trees in Yazman Tehsil, District Bahawalpur.

The Bank, in alignment with its Sustainability Policy, has formalized a Memorandum of Understanding (MoU) with WWF to jointly promote environmental conservation and sustainable development. As part of this partnership, the Bank has successfully planted 8,000 native trees and 2,000 fruit plants in Cholistan Desert.

reduction of

220
metric tons
of CO₂ per year
10,000

 Trees (native and
 fruit-bearing)
 1 year care


Mr. Muhammad Raza - Group Head, Customer Support & General Services along with Mr. Hammad Naqi Khan - CEO, WWF Pakistan at the MoU signing ceremony.



Mr. Riaz Ahmed - General Manager Administration & Mr. Mehboob Alam Khan, Head of MEP, Sustainability & HSE, Meezan Bank at the tree plantation site in Yazman, District Bahawalpur

Launch of Pakistan's First Sovereign Green Sukuk

The proceeds of the Sukuk will be utilized to finance selected green infrastructure projects, including the Garuk Storage Dam in Kharan, the Nai Gaj Dam in Dadu (Sindh) & the 26MW Shagarthang Hydropower project in Skardu.

This initiative aims to improve water resource management, expand renewable energy capacity & strengthen climate resilience in underserved areas.



Climate Matters Conference

The Climate Matters Conference was held in Karachi as a roadmap for environmental sustainability, with participation from environmentalists, educational institutions, and corporate organizations.

Meezan Bank participated in the event, contributing to discussions on key issues and tangible solutions for achieving environmental sustainability.

The forum appreciated the bank's efforts in promoting positive environmental change.



Mr. Mehboob Alam Khan - Head of MEP, Sustainability & HSE, Meezan Bank while giving the presentation at the Climate Matters Conference



Mr. Muhammad Waseem - SVP Administration, Meezan Bank at the Sir Syed Premier League, Cricket Tournament and Tree Plantation Drive



Sir Syed Premier League

Cricket Tournament and Tree Plantation Drive

Meezan Bank participated in the Sir Syed Premier League, a cricket tournament aimed at promoting sports, youth engagement, and healthy lifestyle. In addition to supporting the tournament, the Bank also organized a tree plantation drive alongside the event to reinforce its commitment to environmental sustainability.

**1 NO
POVERTY**



**2 ZERO
HUNGER**



Disaster Relief & Humanitarian Assistance

4,000

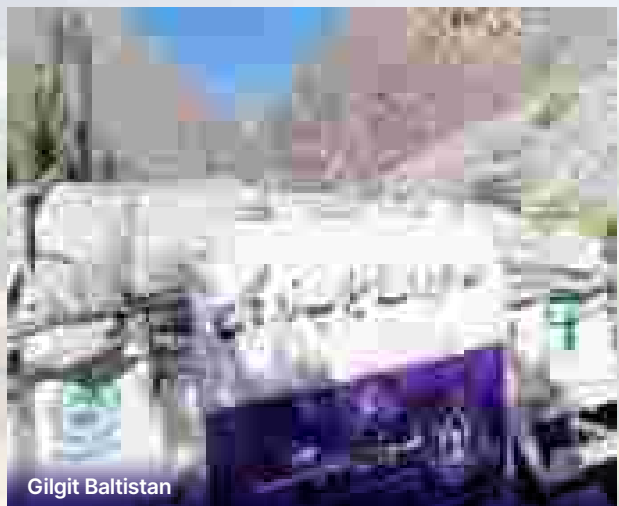
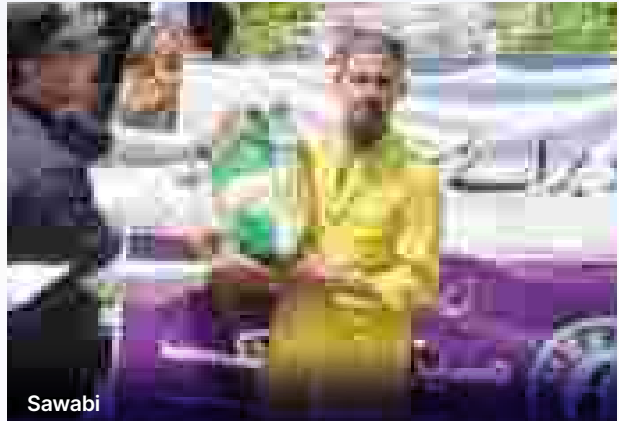
Families Served

Ration Distribution for Flood Affected Communities in Gilgit Baltistan, KPK & Punjab

In response to the humanitarian needs arising from floods in Khyber Pakhtunkhwa and Punjab, Meezan Bank implemented a ration distribution initiative to support affected communities. Essential food supplies were distributed among approximately 4,000 flood-affected families to address immediate needs and provide relief during a period of significant hardship. In addition, with the support of various non-governmental organizations, the Bank facilitated the establishment of medical camps to provide basic healthcare services to affected populations. This initiative underscores Meezan Bank's commitment to disaster response, community welfare, and timely humanitarian assistance.



Distribution of Ration & Flood Relief Items



2 ZERO HUNGER



Community Investment & Welfare

Iftar Drive at Meezan Bank Head Office

As part of its Ramadan initiatives, Meezan Bank organized daily Iftar gatherings at Meezan House, providing Iftar and dinner to over 20,000 beneficiaries during the Holy Month. The program primarily served daily wage earners, underprivileged families, and individuals in need, offering a dignified and welcoming environment to break their fast. The meals were prepared in-house under strict quality and hygiene standards, ensuring safe and wholesome food for all attendees. Through this initiative, the Bank reinforced its commitment to community welfare, compassion, and social solidarity during Ramadan.



Rozedars lined up outside Meezan Bank's Head Office to receive Iftar boxes distributed as part of the Bank's Ramadan outreach initiative

Road Repair at Shershah Chowrangi



Meezan Bank supported road repair works at Shershah Chowrangi, a critical junction serving one of Karachi's major industrial corridors. The initiative aimed to improve road conditions and traffic flow, enhance commuter safety, and reduce disruption for transporters, workers, and businesses operating in the surrounding industrial area. By strengthening essential infrastructure at a high-traffic location, the Bank's contribution supported the city's broader infrastructure renewal efforts and helped facilitate smoother mobility and economic activity in the area.

Iftar Drive at Hospitals

As part of its community investment and welfare initiatives during the holy month of Ramadan, Meezan Bank undertook a focused outreach program to support patients, attendants, and healthcare staff at major public healthcare institutions in Karachi. Under this initiative, Iftar boxes were distributed at Indus Hospital & Health Network (IHNN), the National Institute of Cardiovascular Diseases (NICVD), the National Institute of Child Health (NICH), and Jinnah Postgraduate Medical Centre (JPMC).

The drive aimed to provide timely relief to rozedars at critical hours, ease the burden on attendants during long hospital stays, and support frontline healthcare teams. Through this effort, the Bank reinforced its commitment to community care and compassion during Ramadan.



Meezan Bank representatives distributing Iftar boxes to rozedars as part of the Bank's Ramadan outreach initiative at public hospitals in Karachi.



Staff Engagement Session on Seerat-un-Nabi (SAW)

Meezan Bank organized a special Seerat-un-Nabi (SAW) session for its staff members, conducted by Maulana Abdul Sattar Saheb, Chairman of Baitussalam Welfare Trust. The session highlighted the noble character, values, and teachings of Hazrat Muhammad (SAW), encouraging employees to embody these principles in their personal and professional lives.

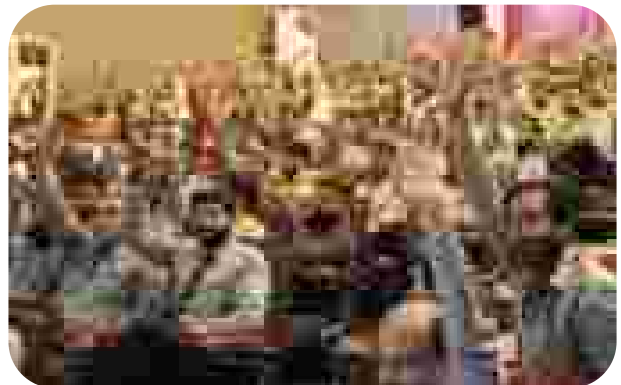


Maulana Abdul Sattar Saheb, Chairman, Baitussalam Welfare Trust, delivering a Seerat-un-Nabi (SAW) session for Meezan Bank staff

Road Safety Awareness Session in Collaboration with the National Highways & Motorway Police (NHMP)



Meezan Bank, in collaboration with the National Highways & Motorway Police (NHMP), conducted a road safety awareness session for its riders and drivers at the Bank's Head Office in Karachi. The session was attended by over 270 participants and emphasized safe driving practices, compliance with traffic laws, and responsible commuting habits.



Mr. Riaz Ahmed - General Manager Administration, Meezan Bank, along with the NHMP team during the road safety awareness session

Support for Government Hajj Scheme Pilgrims 2025



Specially designed travel bags and gifts were provided to Government Hajj Scheme pilgrims in 2025. The Bank supported over 22,000 Hujjaj who submitted their applications through Meezan Bank branches by providing a luggage trolley bag, a hand-carry trolley bag, a shoe bag, and an Ihram belt for male pilgrims and a scarf for female pilgrims. The total cost of these giveaways was approximately Rs 330 million. Distribution was carried out through ten (10) Meezan Bank Hajj booths established at Hajj camps nationwide.



Over

22,000

Pilgrims Facilitated



Financial Empowerment & Economic Development



Fatima Jinnah Women University

The Bank participated in the Entrepreneurship Fair 2025 organized by the Business Incubation Centre (BIC), at Fatima Jinnah Women University (FJWU), Rawalpindi.



Meezan Bank's team at the Entrepreneurship Fair 2025

26th International Volunteer Day & World Volunteer Day

The Bank participated in the 26th International Volunteer Day and World Volunteer Day celebrations organized by the Women Development Foundation (WDF), a non-profit organization committed to promoting volunteerism and advancing the social and economic empowerment of women across communities.



Mr. Muhammad Raza - Group Head, Customer Support & General Services, Meezan Bank with participants during the 26th International Volunteer Day and World Volunteer Day celebrations organized by the Women Development Foundation (WDF)

Islamic Banking Awareness Seminar at Salim Habib University

The Bank organized an Islamic Banking awareness seminar at Salim Habib University, Karachi, to enhance students' understanding of Shariah-compliant banking and its practical applications. The session provided an overview of Islamic banking principles and key Meezan Bank products and services, followed by an interactive Q&A to address participants' queries.



Mr. Mashkoor AG Khan - Regional Manager Meezan Bank with participants during the Islamic Banking Awareness Seminar at Salim Habib University

Pakistan Remittance Summit – 2025

The Bank participated in the Pakistan Remittance Summit 2025, a key industry platform focused on strengthening the country's remittance ecosystem and promoting formal remittance channels. The Summit brought together policymakers, regulators, financial institutions, and industry stakeholders to discuss innovations, regulatory developments, and strategies aimed at enhancing remittance inflows and financial inclusion.



Mr. Muhammad Abdullah Ahmed - Group Head Transaction and International Banking along with his team at the Pakistan Remittance Summit 2025

ICAP CFO Conference 2025

The Bank participated in the ICAP CFO Conference 2025. The conference convened policymakers, thought leaders, bankers, and industry experts, fostering dialogue and the exchange of insights aimed at advancing sustainable economic growth and responsible business practices in Pakistan.



Mr. Irfan Siddiqui - Founder President and CEO, Meezan Bank while speaking at the ICAP CFO Conference 2025

Elevate 2025 Conference

The Bank participated in Elevate 2025, Pakistan's premier forum on business transformation, artificial intelligence, and emerging technologies, held at the PC Hotel, Karachi.



Meezan Bank's team participating at the Elevate 2025 Conference



Governor's Cup 2025

The Bank participated in the Governor's Cup Inter-Bank Hard Ball Cricket Tournament and the Annual Dinner 2025 organized by the Karachi Bankers Club. The initiative provided a platform to promote sportsmanship, teamwork, and healthy competition among financial institutions, while also fostering professional networking and industry collaboration.



Meezan Bank Team at the Governor's Cup Inter-Bank Hard Ball Cricket Tournament

16th Vintage & Classic Rally and Car Show

The Bank participated in the 16th Vintage & Classic Car Rally 2025 organized by the Classic Cars in collaboration with Khyber Pakhtunkhwa Culture and Tourism Authority (KPCTA).

At the rally various products and services of Meezan Bank were showcased.



Mr. Arif Aslam - Regional Manager (North), Meezan Bank presented an honorary shield to Major General Rao Imran Sartaj - Inspector General, Frontier Corps, North and Lieutenant General Omer Ahmed Bokhari - Corps Commander, XI Corps

Charity Funds Distribution for Social Welfare (On behalf of Customers)

Meezan Bank is committed to ethical banking practices aligned with Shariah principles. Accordingly, any charity collected from customers on account of delayed payments is placed in a separate Charity Account and does not form part of the Bank's income. Other contributors to the Charity Account include income identified as non-Shariah compliant during internal Shariah audits and reviews, and a portion of the Bank's dividend income, which is donated as charity to ensure Shariah conformity. The Shariah Board guides the Bank in utilizing these funds for social welfare initiatives, largely in the areas of education, healthcare, and community development.

Education Support

Meezan Bank allocates a significant portion of its charity funds to Ihsan Trust, an independent trust established in 2010 under the guidance of Meezan Bank's Shariah Board for the distribution of the Bank's charity funds. Ihsan Trust is chaired by Dr. Muhammad Imran Ashraf Usmani, a senior member of Meezan Bank's Shariah Board, and is the largest private provider of interest-free loans for higher education in Pakistan. Meezan Bank remains the Trust's largest supporter through its charity contributions and continues to facilitate its operations.

Since inception, 5,200 students from more than 185 universities, educational institutions, and professional bodies across Pakistan have benefitted from Ihsan Trust.

5,200

Students Supported
since Inception

Rs 255 Mn

Interest-free Loans in 2025

185+

Institutions
Onboarded



Qarz-e-Hasna given by Ihsan Trust since Inception

Universities	Students	Amount (Rs)
Institute of Business Administration, Karachi	587	217 Mn
The Aga Khan University	62	129 Mn
Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI)	264	110 Mn
Dow University of Health Sciences	209	90 Mn
Habib University	63	45 Mn
Lahore University of Management Sciences (LUMS)	58	48 Mn
University of Karachi	458	44 Mn
Other Universities	3,499	767 Mn
Total	5,200	1,450 Mn

Total Impact in 2025

During 2025, Ihsan Trust disbursed educational loans amounting to Rs 255 million to 1,150 students to support the completion of their higher education.

Support for the Development of Centers for Islamic Finance

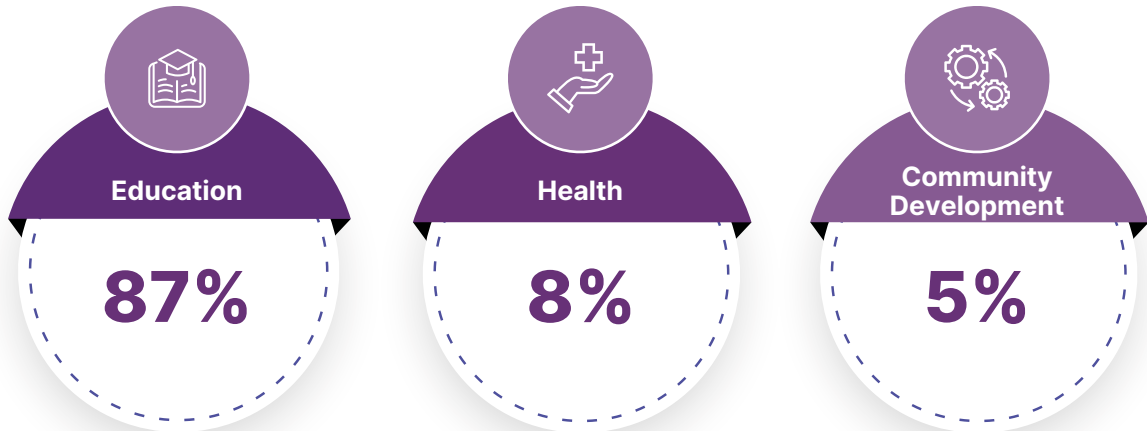
Through its Charity Fund, Meezan Bank supported the establishment of Centers for Islamic Finance at leading academic institutions to promote research, capacity building, and awareness in Shariah-compliant finance. Beneficiary institutions included NED University of Engineering & Technology, the National Institute of Public Administration (NIPA), Karachi, the University of Agriculture, Faisalabad, Balochistan University of Information Technology, Engineering and Management Sciences (BUITEMS), Quetta, Hailey College of Commerce, University of the Punjab, The Islamia University of Bahawalpur, and Bahria University, Karachi.

This initiative reflects the Bank's commitment to advancing Islamic finance education and strengthening academic-industry collaboration for sustainable sectoral development.



Healthcare Assistance

Recognizing the importance of accessible healthcare, donations through the Charity Fund are made to hospitals, clinics and medical welfare organizations. These contributions help provide free medical treatment, fund critical surgeries and support healthcare programs for individuals who cannot afford essential medical services.



Distribution of Charity-Rs 311.6 Million

The Charity Fund also supports various social welfare organizations working in areas such as flood relief, food distribution, provision of clean water, community welfare, etc. By supporting various NGOs and welfare organizations, it is ensured that Charity Funds reach the most vulnerable segments of society.



Commitment to Transparency

A very transparent process is followed for charity funds utilization, ensuring that all disbursements align with Shariah guidelines and contribute to genuine social causes. Collaborations are made with reputable welfare organizations to ensure maximum positive impact of Charity Funds.

Sustainability Report

Stakeholder Focus

At Meezan Bank, stakeholder engagement is central to our commitment to sustainable and responsible banking. Our strategic engagement framework emphasizes transparency, trust, and collaboration, enabling us to incorporate stakeholder feedback into policies and decision-making processes. This inclusive approach supports sustainable value creation, strengthens resilience, and contributes to the Bank's long-term growth in alignment with Shariah principles and environmental responsibility. Guided by its corporate values and Vision, Meezan Bank continues to embed sustainability into its business strategy to drive long-term growth while creating a positive impact on society and the environment.



Sustainability and ESG Integration

Meezan Bank's commitment to sustainability is reflected in its core values, which emphasize ethical conduct, environmental stewardship, and social responsibility. The Bank adopts a holistic approach by integrating Environmental, Social, and Governance (ESG) considerations into its strategy and decision-making processes.

Environmental Responsibility

Meezan Bank is committed to reducing its environmental footprint through the adoption of energy-efficient technologies and the promotion of paperless banking via digital solutions. The Bank also encourages sustainable practices among employees and supports green projects and renewable energy initiatives through its financing portfolio, contributing to climate change mitigation efforts.

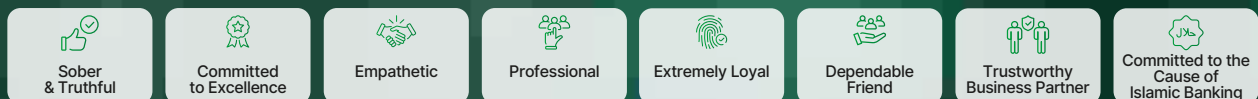
Social Responsibility

Meezan Bank recognizes the importance of fostering socio-economic development. Through its focus on financial inclusion, the Bank serves underbanked segments of society by providing access to essential banking services and enabling individuals and businesses to achieve sustainable growth.

Ethical Governance

Meezan Bank's governance framework emphasizes transparency, accountability, and strict adherence to Shariah principles. The Bank ensures that its operations and decision-making processes align with Islamic ethical standards, fostering trust, integrity, and confidence among stakeholders.

MEEZAN BANK'S PERSONALITY



Our Focus on Sustainable Finance



Meezan Bank has aligned its business model with Environmental, Social, and Governance (ESG) principles. Through its focus on green banking, the Bank supports environmentally responsible initiatives and projects that contribute to sustainable development while adhering to Shariah-compliant financial practices.

The Bank offers financing solutions that promote sustainability, including green financing for renewable energy and sustainable agriculture projects. It also supports wind and hydropower initiatives, reinforcing its commitment to expanding a diversified portfolio of sustainable energy solutions.

Green Financing

In 2025, Meezan Bank's Green Financing outstanding portfolio amounted to Rs 36,871 million, comprising 41 clients nationwide. The diversified portfolio is structured through a combination of IFRE-based financing, Diminishing Musharakah (KIBOR-linked) facilities, Sukuk, and renewable energy-focused transactions, demonstrating the Bank's commitment to Shariah-compliant, responsible, and sustainable financing.

Rs 36,871 Mn
Financed Portfolio Amount

41
Nationwide Customers

From a regional and sustainability perspective, the portfolio is predominantly concentrated in the South and Central regions, where large-scale energy, power, and infrastructure projects are being financed, aligning with Pakistan's evolving energy and infrastructure needs. A significant portion of exposure in the South relates to renewable energy, clean power generation, and energy-efficient industrial operations, including wind and water treatment projects financed under IFRE, Diminishing Musharakah, and Sukuk structures. Similarly, the Central region includes substantial financing for hydropower and national infrastructure projects, notably the Dasu Dam under Diminishing Musharakah and Sukuk modes, contributing to long-term clean energy generation and reduced carbon emissions, alongside sustainable textile and industrial clients. These green financing initiatives position the Bank as a key enabler of the country's transition toward cleaner energy sources.

The Multan and Faisalabad regions, largely dominated by textile, manufacturing, packaging, and logistics sectors, reflect a growing shift toward renewable energy adoption, solar financing, and energy-efficiency initiatives, primarily financed through IFRE and Diminishing Musharakah (KIBOR-linked) facilities. These transactions support clients in reducing energy costs, improving environmental performance, and enhancing operational sustainability. The North region carries limited but strategic exposure, mainly through IFRE-based financing for critical supply chains and textile units, contributing to portfolio stability without excessive regional concentration risk.

Overall, Meezan Bank's green financing portfolio demonstrates strong alignment with ESG objectives, climate resilience, and responsible sustainability principles. With a notable focus on renewable energy, clean power infrastructure, and environmentally responsible industrial practices, the Bank is positioned not only as a green financier but also as a strategic partner in Pakistan's sustainable development journey. The portfolio's regional and sectoral diversification underscores Meezan Bank's expanding role in promoting inclusive and sustainable economic growth through Shariah-compliant financing solutions, while maintaining prudent risk management and long-term value creation.

Meezan Solar Financing

The Bank's solar financing portfolio stands at Rs 454 million, of which Rs 222 million was disbursed in 2025. This growth reflects the Bank's commitment to promoting clean energy adoption and addressing evolving customer needs through Shariah-compliant sustainable financing solutions.

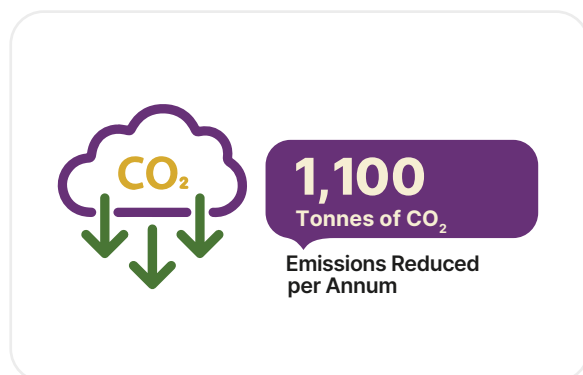
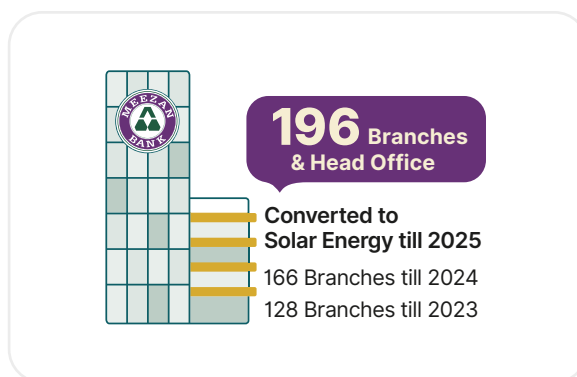
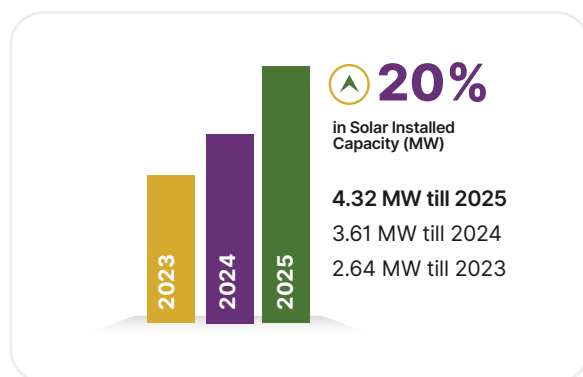


Solar Financing



Conversion of Head Office & Branches to Solar Energy

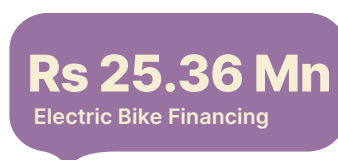
As part of its commitment to environmental responsibility and energy efficiency, the Bank has installed solar power systems at 196 branches and its Head Office building. The installations have a cumulative capacity of 4.3 MW, representing a significant step toward reducing the Bank's carbon footprint. This initiative has reduced carbon emissions by approximately 1,100 metric tons of CO₂ per annum, equivalent to the environmental benefit of planting around 60,000 mature trees.



Electric Bike Financing

Meezan Bank continued to strengthen its electric bike financing portfolio during 2025, reinforcing its position in this emerging segment of sustainable mobility. Key highlights include:

- **Strategic Partnerships:** The Bank established partnerships with leading players in the electric vehicle market, supporting the growth of clean transportation solutions and contributing to a more sustainable mobility ecosystem.
- **Vendor Diversification:** In response to evolving market dynamics, Meezan Bank expanded its approved vendor list to include Crown Benling Electric Mobility, EcoDost Bikes, VLEKTRA Bikes, and REVOO Bikes, offering customers a broader range of reliable and innovative electric bike options.
- **Enhanced Customer Experience:** The Bank further streamlined its application processes, improved turnaround times, and strengthened service standards to ensure a seamless financing journey for customers.



The Bank's outstanding electric bike financing portfolio stands at Rs 5.67 million, with Rs 25.38 million disbursed during 2025.

Sustainable Growth in Agriculture Finance

Rs 108 Bn

Agriculture
Financing Worth



During the year, Meezan Bank's Agriculture Finance segment continued to advance its sustainable finance agenda by integrating environmental stewardship, social inclusion, and economic resilience into its core financing strategy. The Bank's agriculture portfolio recorded strong growth in 2025, increasing by 24% year-on-year, driven by expansion across individual farmers, corporate agriculture, and innovative hybrid and wholesale financing models. The portfolio delivered robust performance, with Meezan Bank surpassing its targets set under the State Bank of Pakistan (SBP) Agricultural Credit Program, achieving 136% of its customer target, 117% of its outstanding portfolio target, and 103% of its disbursement target for 2025.

Climate Smart Agriculture (CSA) Financing Resilience and Transition

Climate-Smart Agriculture (CSA) emerged as a key pillar of Meezan Bank's Agriculture Finance portfolio in 2025. The CSA portfolio now accounts for over 20% of the total agriculture finance book, reflecting a strategic shift toward environmentally sustainable and climate-resilient farming practices.

■ Clean Energy & Water Efficiency

Solar tubewell financing was scaled up to support renewable energy adoption, reduce carbon emissions, lower irrigation costs, and improve water-use efficiency.

■ Mechanized & Resource-Efficient Farming

Enhanced financing for tractors and modern farm equipment, supported through digital platforms such as AFAS, improved productivity & optimized input utilization.

■ Climate-Resilient Aquaculture

Meezan Bank pioneered Shariah-compliant shrimp farming financing, diversifying rural income streams and supporting sustainable, export-oriented aquaculture.

■ Sustainable Dairy & Livestock Financing

Innovative CSA-aligned solutions for dairies focused on energy efficiency, improved fodder cultivation, and productivity-led livestock management.

Shariah-Compliant Agri Solutions & Value Chain Financing

Rs.1.3 Bn

3,000

Farmers Benefitted

Meezan Bank strengthened its Tijarah & Murabaha-based grower financing in collaboration with sugar mills to support structured value chain development. Financing lines exceeding Rs 5 billion were approved, with Rs 1.3 billion disbursed to benefit over 3,000 farmers across Punjab, Khyber Pakhtunkhwa, and Sindh, enhancing access to timely agricultural inputs and improving crop productivity.

Farmer Financial Literacy & Capacity Building

168 Programs

5,073

Farmers Engaged

In alignment with the State Bank of Pakistan's national financial inclusion agenda, Meezan Bank conducted 168 Farmer Financial Literacy Programs nationwide, engaging 5,073 farmers, including a significant proportion of women participants. These programs enhanced awareness of responsible borrowing, Shariah-compliant financing, and climate-smart agricultural practices, strengthening financial capability and resilience within farming communities.



Meezan Bank's team engaging with farmers during a Financial Literacy Program conducted under the Bank's outreach initiatives.

Digital Enablement for Sustainable Outreach

- Technology remained a key enabler of sustainable finance during the year. Meezan Bank integrated its agriculture financing processes with the Punjab Land Records Authority's (PLRA) Land Records Management Information System (LRMIS), enhancing transparency, efficiency, and risk management.
- Meezan Bank's Agriculture Finance segment is also actively engaged in the State Bank of Pakistan's (SBP) Zarkhez-e-Asaan Digital Zarai Qarza initiative, promoting collateral-free, technology-enabled financing for small farmers to improve crop yields and support rural economic uplift.

Our Focus on Responsible Development

Green Building Practices



In line with its commitment to sustainability and responsible growth, Meezan Bank continues to integrate environmentally responsible practices across its infrastructure portfolio. The Bank prioritizes energy-efficient lighting, heating, and cooling systems to reduce utility consumption and environmental impact. Smart building technologies are being deployed to optimize energy use based on occupancy patterns, supporting efficient resource utilization, cost savings, and reduced carbon emissions.

Meezan Tower, Islamabad is progressing toward LEED Gold certification through the incorporation of energy-efficient systems and environmentally responsible construction materials. Similarly, the development of Block III of Meezan Bank's Head Office reflects a strong focus on sustainable architecture, energy efficiency, and long-term environmental stewardship.

New facilities and branches are being designed in line with international green building standards, incorporating energy-saving technologies, water conservation measures, and improved waste management practices. Key features include green rooftops, high-performance insulation, and enhanced use of natural daylight to reduce reliance on artificial lighting.

The Bank is also incorporating solar power solutions, heat-insulated double-glazed façades, and naturally lit spaces to further improve energy efficiency. The use of low-impact and recyclable construction materials supports environmental protection and contributes to a circular economy.

To strengthen water stewardship, water-efficient fixtures and rainwater harvesting systems are being installed across new developments. In addition, advanced smart HVAC solutions, including Variable Refrigerant Flow (VRF) systems, are being deployed to reduce energy consumption while enhancing indoor air quality and occupant comfort.



Fire & Safety Trainings

Meezan Bank is committed to ensuring the safety of its employees and customers. Firefighting awareness training is conducted for staff, particularly branch teams, to strengthen preparedness for emergencies and effective use of available firefighting equipment. These sessions were held across branches nationwide, as well as for 24/7 staff at the Bank's Head Office, reinforcing a strong culture of safety and readiness.



Employees participating in a fire drill at Meezan House as part of the Bank's ongoing safety and emergency preparedness initiatives

Our Focus on Clean Water, Sanitation & Water Conservation

Meezan Bank continues to strengthen its commitment to environmental sustainability and the United Nations Sustainable Development Goals (SDGs), particularly SDG 6: Clean Water and Sanitation, through the implementation of innovative and resource-efficient water management solutions across its facilities.



Water Conservation through Ablution Water Recycling

The Head Office Masjid at Meezan Bank accommodates approximately 3,000 individuals daily for ablution before the two main prayers. With each individual using water for washing, the total volume of water used daily is substantial. Recognizing this as an opportunity to conserve precious water resources, Meezan Bank devised a plan to recycle this water for an environmental cause: tree plantation.



Rainwater Harvesting System at Meezan Tower, Islamabad

- **Rainwater Harvesting Capacity:** The rainwater harvesting system is designed to capture over 113,000 liters of rainwater per year. This will significantly offset the water requirements for landscaping, irrigation, and cooling, reducing dependency on external water sources.
- **Reduction in Water Demand:** By utilizing harvested rainwater, the tower will decrease its demand for portable water by approximately 30 percent, promoting sustainable water use in the building's day-to-day operations.



Our Focus on Diversity & Inclusion

Meezan Bank remains committed to fostering a diverse, inclusive, and equitable workplace that enables employees and stakeholders to grow and perform to their full potential. In 2025, the Bank advanced its diversity, inclusion, and employee wellness agenda through structured initiatives and development programs.

Roshnaas Program for Persons with Disabilities (PWDs)

The second batch of the Roshnaas Program reinforced the Bank's commitment to inclusion by providing structured opportunities for Persons with Disabilities (PWDs). In 2025, 34 interns were inducted through two batches and placed across functions including Human Resources, Information Technology, Finance, Operations, Compliance, Retail Banking, Call Centre, Administration, and other support areas.



Inclusive Orientation for Persons with Disabilities (PWDs)

Meezan Bank continued to support PWD inclusion through tailored orientation programs and workplace accommodations to ensure smooth integration. Sign language interpreters were engaged to enhance communication. Dedicated training sessions were also conducted for line managers to strengthen inclusive leadership and effective employee support.

Promoting Equality and Disability Sensitization

Under the State Bank of Pakistan's Banking on Equality (BoE) initiative, Meezan Bank engaged over 16,000 employees through awareness sessions aimed at fostering equality and respect. These sessions were also extended to third-party staff, including security personnel, office assistants, and janitorial staff across branches. Employees with disabilities actively participated, reinforcing the Bank's commitment to an inclusive and supportive workplace.



16,000+

Employees Engaged in
BoE Sessions

400+

Women Champions
Trained

Employee Wellness, Diversity, and Inclusion

In 2025, Meezan Bank implemented employee wellness and inclusion initiatives to promote a healthy and balanced work environment, with particular focus on female employees. The Bank conducted cancer awareness sessions across major cities, reaching 434 female employees. These sessions emphasized prevention, early detection, and treatment awareness, enhancing health literacy and encouraging proactive well-being practices.



Benefits for Females Staff Members

- **Day Care Facility at Head Office:** To support working parents, particularly mothers, and encourage greater female workforce participation, Meezan Bank has established a day care facility at its Head Office. The facility is managed by trained staff and provides a safe, child-friendly environment.
- **Shuttle Service:** The Bank offers a secure pick-and-drop shuttle service for Head Office staff, enhancing convenience and supporting the attraction and retention of female talent.
- **Maternity Leave:** Meezan Bank provides three months of fully paid maternity leave to female employees. This benefit forms part of the Bank's commitment under the State Bank of Pakistan's Banking on Equality (BoE) agenda and its broader diversity and inclusion framework.



Our Focus on Youth Development

ACCA Trainee Batch 2025

Meezan Bank continued its longstanding focus on developing young, talented individuals in finance and accounting through the ACCA Trainee Program. During 2025, the Bank successfully onboarded more than 50 ACCA trainees across Karachi, Lahore, and Islamabad.

The program is structured to provide participants with exposure to core banking and finance functions, including Finance, Investment Banking, Corporate and Commercial Banking, Compliance, and Audit. Through a combination of structured learning and on-the-job experience, the program enables trainees to translate academic knowledge into practical understanding within an Islamic banking environment.



ACCA Trainee Batch 2025

Meezanship Program

The Meezanship Program continued to serve as an important platform for engaging young talent and supporting early-career development. Designed for final-year students and recent graduates, the program offers structured internships of three to six months, with the opportunity for permanent placement based on performance.

In 2025, interns from the fifth batch of the Meezanship Program were placed across the Bank, with approximately 300 interns working in various departments. The program provided participants with exposure to a professional work environment, practical insights into Islamic banking operations, and opportunities for learning and development.



Meezan Justuju

The Meezan Justuju Program continued to serve as a flagship CSR initiative designed to bridge the gap between academic learning and professional expertise. Delivered in partnership with the Centre for Excellence in Islamic Finance (CEIF), Institute of Business Administration (IBA), Karachi, and NED Academy, NED University of Engineering and Technology, the fully-funded program provides specialized training in Islamic Finance and Information Technology, equipping fresh graduates with industry-relevant skills to enhance their career potential.



Participants attending specialized training in Islamic Finance and Information Technology conducted in collaboration with IBA-CEIF and NED Academy

Key Highlights

- Meezan Justuju Batch 1 (IBA – 2024) received over 1,400 applications, of which 102 candidates were selected for the program and 75 successfully completed the certification.
- Meezan Justuju Batch 2 (IBA – 2024–2025) expanded to Karachi, Islamabad, and Lahore, attracting 3,700 applications. A total of 337 participants were selected across all locations, with 181 successfully completing the certification.
- Meezan Justuju Batch 3 (IBA – 2025), conducted in Karachi, received 1,960 applications, with 137 candidates selected and 91 successfully completing the certification.
- A rigorous multi-stage selection process, including entry tests and interviews, ensured merit-based selection and high-quality outcomes across all cohorts.
- In parallel, Meezan Justuju (NED Academy) focused on developing IT talent through specialized courses, receiving 3,177 applications and enrolling 421 students, of whom 243 successfully completed their certifications, reflecting a completion rate of 64%.

Meezan Justuju reflects the Bank's commitment to talent development, strengthening the Islamic finance and IT sectors, and empowering the next generation of professionals in Pakistan.

Meezan Pro League

Meezan Bank, as an authorized Training Organization Outside Practice (TOOP) of the Institute of Chartered Accountants of Pakistan (ICAP), successfully graduated its first batch of CA Trainees under the Meezan Pro League Program. During the articleship period, trainees completed a structured training program with rotational exposure across multiple functions and key areas. This approach formed an integral part of their Chartered Accountancy qualification and was strengthened through mentorship and guidance from the Bank's senior leadership.

Upon completion of the 3.5-year articleship, Meezan Bank organized a certificate award ceremony to recognize the trainees' dedication and professional growth. The ceremony was attended by the President and CEO, members of the senior leadership team, and a special guest, Vice President, ICAP South.

Young Islamic Banking Professionals (Y-IBP) Program

Meezan Bank established a strategic collaboration with the State Bank of Pakistan (SBP) under the Young Islamic Banking Professionals (Y-IBP) Program, an initiative designed to bridge academia and the Islamic banking industry. The program promotes awareness of Islamic banking fundamentals and develops a pipeline of qualified talent.

In collaboration with Islamic banking institutions and universities across Pakistan, selected candidates were provided internships and Islamic banking certifications conducted by the National Institute of Banking and Finance (NIBAF), supporting the sustainable growth of the Islamic banking sector.

Our Focus on Compliance & Fair Banking

Meezan Bank is committed to conducting business transparently, honestly and with integrity. Therefore, the Bank is fully dedicated to combatting financial crime and makes every effort to remain in full compliance with applicable financial crime laws, regulations and standards.

Business Ethics & Anti-Corruption Measures

The Bank adheres to an Anti-Corruption and Bribery Policy, as well as a Code of Conduct and Standards outlined in its Human Resource Policy, applicable to all employees. Furthermore, the Whistleblowing Policy proactively addresses concerns from staff and customers, promoting transparency and prompt resolution.

Customer Grievance Handling Mechanism

The Bank manages customer complaints through a dedicated Customer Care Unit (CCU) in line with the Board-approved Customer Grievance Handling Policy. Complaints received via all channels are logged into the Complaint Management System (CRM 3.0) and E- Pay Back for effective tracking, monitoring, and regulatory compliance.

Transaction-related disputes are handled by the Dispute Resolution Unit (DRU) under Operations, while digital fraud cases are managed by the Fraud Risk Management Department (FRMD) within Compliance. A defined escalation mechanism ensures senior management oversight for cases exceeding prescribed turnaround timelines.

During the year, the Bank continued customer awareness initiatives through SMS, email, social media campaigns and in-app notifications via the Meezan Mobile App to improve visibility of the complaint lodgement process and ensure ease of access.

In 2025, the Bank further enhanced complaint handling efficiency and customer experience through system-driven monitoring, cross-functional coordination, and a strong focus on timely resolution and service excellence.

The Bank directly received a total of 866,194 complaints during 2025 and successfully closed complaints with an average Turnaround Time (TAT) of 8.09 working days.



Our Focus on Digital Leadership

Driving Financial Inclusion through Digital Account Opening

Meezan Bank continued to strengthen its digital onboarding capabilities to enhance accessibility and customer convenience. Meezan Digital Accounts (MDA) increased from 439,059 in 2024 to 906,805 in 2025, representing a 107% year-on-year growth. This progress reflects the Bank's commitment to expanding access to Shariah-compliant banking through convenient, paperless, and branch-independent channels.

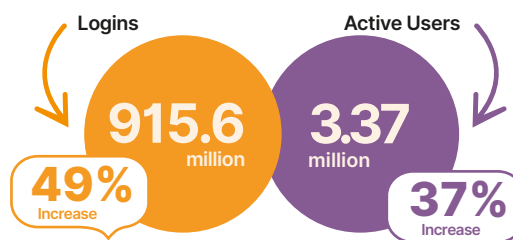


Experience Hassle-Free Digital Account Opening Through the Meezan Digital Account Opening App!



Deepening Digital Engagement and Usage

Meezan Bank's mobile banking platform recorded strong growth in customer engagement during 2025. Mobile app logins increased by 49%, reaching 915.6 million, while Monthly Active Users (MAU) grew by 37% to 3.37 million, reflecting sustained and frequent customer interaction across digital channels.



Expanding Digital Adoption at Scale

Mobile App registrations rose from 864,134 in 2024 to 1,297,148 in 2025, representing a 50% year-on-year increase. This progress supports the Bank's sustainability agenda by reducing reliance on physical channels, improving service accessibility and enhancing operational efficiency.

Latest Security Features



Strengthening Cyber Resilience and Digital Trust

- Implemented Managed Detection and Response (MDR) services across critical financial systems to enhance continuous monitoring and proactive threat detection.
- Deployed a Data Loss Prevention (DLP) solution to safeguard customer information and prevent unauthorized data leakage across the Bank's systems.
- Reinforced security through industry-leading controls and a layered, defense-in-depth strategy to ensure comprehensive protection across digital channels.
- Maintained certifications against international information security standards, with governance frameworks aligned with State Bank of Pakistan (SBP) guidelines and the ISO 27000 family of standards.
- Conducted security risk assessments, control reviews, and application security testing across IT systems to identify and mitigate cyber risks.
- Ensured 24/7 Security Operations Centre (SOC) monitoring for timely threat detection and response across digital infrastructure.
- Strengthened cyber resilience through incident response simulation exercises to validate organizational preparedness.

Sustainability & CSR Awards

2nd International Solar Power Conclave & Technology Excellence Award 2025

Meezan Bank was honored with a prestigious award in the 'Sustainability' category through Solar System Installation and Promoting Renewable Energy at the 2nd International Solar Power Conclave & Awards (ISTEA) 2025, held at the Nishat Hotel, Lahore.



Mr. Mehboob Alam Khan - Head of MEP, Sustainability & HSE, Meezan Bank, while receiving the 2nd International Solar Power Conclave & Technology Excellence Award 2025, from Sardar Saleem Haider Khan - Governor of Punjab



17th Corporate Social Responsibility Awards 2025

Meezan Bank was honored with the Corporate Social Responsibility (CSR) Award 2025 in the 'Social Impact and Sustainability' category at a ceremony organized by the National Forum for Health and Environment (NFEH) at Serena Hotel, Islamabad.

Mr. Mehboob Alam Khan - Head of MEP, Sustainability & HSE, Meezan Bank, while receiving the Corporate Social Responsibility (CSR) Award 2025, from Mr. Qaiser Ahmed Sheikh - Former Federal Minister of Maritime Affairs, Pakistan



S.No	Key Audit Matter	How the matter was addressed in our audit
	Under DRS 9, the Bank measures on a forward-looking basis the Expected Credit Losses (ECL) associated with all Islamic financing and related assets together with off-balance sheet obligations including letters of credit, guarantees and irreversible unfunded financing commitments. A lifetime ECL is recorded on Islamic financing and related assets and off-balance sheet obligations where there have been a significant increase in Credit Risk (SICR) from the date of initial recognition and on Islamic financing and related assets and off-balance sheet obligations which are credit impaired as on the reporting date. A 12-month ECL is recorded for Islamic financing and related assets and off-balance sheet obligations which do not meet the criteria for SICR or 'credit impaired' as at the reporting date. To assess whether there is a significant increase in the credit risk, the Bank compares the risk of a default occurring on the Islamic financing and related assets and off-balance sheet obligations as at the reporting date with the risk of default as at the date of initial recognition. Both lifetime and 12-month ECL are calculated at facility level. The credit loss allowance is increased by lifetime charged to the unconsolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries. The Bank records charge for Stage 3 based on the higher of provision under Prudential Regulations or ECL under DRS 9, as per the instructions of the State Bank of Pakistan (SBP). This assessment is conducted at the facility level for corporate, agriculture, commercial and SME Islamic financing and related assets portfolios including off-balance sheet obligations, and at a segment / product level for the retail portfolio. If our facility of a counterparty becomes 90 days past due (DPD) or is otherwise defined as impaired under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3. The measurement of ECL involves evaluating a range of possible situations, considering the time value of money, and incorporating reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The net credit loss allowance recognized / reversed during the year is charged to the unconsolidated statement of profit and loss account and unconsolidated credit loss allowance is netted-off against Islamic financing and related assets and credit loss allowance against off-balance obligations is reflected under other liabilities. The Bank has recognized a net credit loss allowance against Islamic financing and related assets and net reversal of credit loss allowance against off-balance sheet obligations amounting to Rs. 264 million and Rs. 28 million, respectively in the unconsolidated statement of profit and loss account in the current year. As at December 31, 2022, the Bank holds a credit loss allowance of Rs. 49,314 million and Rs. 275 million against Islamic financing and related assets and off-balance sheet obligations, respectively. The determination of credit loss allowance against Islamic financing and related assets and off-balance sheet obligations based on the above criteria involves a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimations and the materiality of Islamic financing and related assets and off-balance obligations relative to the overall unconsolidated financial statements of the Bank, we considered this area as a key audit matter.	We obtained and updated our understanding of management's assessment of credit loss allowance in respect of Islamic financing and related assets and off-balance sheet obligations including the Bank's internal rating model, accounting policy, and model methodology including any key changes made during the year. We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Bank to identify bias events and determine the extent of provisioning required against Islamic financing and related assets and off-balance sheet obligations. The testing of controls included testing of: - controls over the correct classification of customers under the applicable financial reporting framework; - controls over the identification of customers with higher risk of default having exposure of Islamic financing and related assets and off-balance sheet obligations and correct classification of customer exposure on subjective criteria; - controls over the accurate computation and recording of credit loss allowance; and - controls over the governance and approval process related to credit loss allowance including customer's treatment by the management. We selected a sample of customers and performed the following substantiation procedures: - assessed the reasonableness and accuracy of the data used for credit loss allowance computation based on accounting records and information system of the Bank as well as the related external sources used for this purpose; - checked exposures of Islamic financing and related assets / profit institutions and tested the classification of customer exposure based on the number of days overdue; - tested the staging of Islamic financing and related assets and off-balance sheet obligations as per the criteria of SICR and in accordance with the application instructions issued by the SBP for DRS 9; - evaluated the management's assessment for classification of a customer's exposure as performing or non-performing under prudential regulations and application instructions as issued by the SBP for DRS 9, based on a review of requirement letters, supervision of credit disbursement and discussions with the management; and

S.No	Key Audit Matter	How the matter was addressed in our audit
		• assessed the ECL model used by the management to calculate expected credit loss allowance against identifiable financing and related assets and off-balance sheet obligations balances of the Bank for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the models used in the calculation of credit loss allowance. Assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL; and Assessed the relevant disclosures made in the unconsolidated financial statements to determine whether they comply with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated 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 unconsolidated and consolidated 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 unconsolidated 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 statement of profit and loss account, the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and the 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;



A.F. FERGUSON & CO.

- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the restrictions 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 **Shahbaz Akhtar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: March 14, 2021
UDIN: AFA023100671706G60011

Unconsolidated Statement of Financial Position

As At December 31, 2025

	Note	2025	2024
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks	7	330,542,818	260,734,258
Balances with other banks	8	15,388,174	13,424,950
Due from financial institutions	9	12,325,225	34,964,299
Investments	10	2,596,837,140	1,870,535,620
Islamic financing and related assets	11	1,640,934,798	1,514,755,936
Property and equipment	12	50,038,251	46,847,734
Right-of-use assets	13	21,777,193	21,230,197
Intangible assets	14	3,429,762	2,896,880
Deferred tax assets		-	-
Other assets	15	135,287,558	136,683,257
Total Assets		4,806,560,919	3,902,073,131
LIABILITIES			
Bills payable	16	73,767,955	112,605,407
Due to financial institutions	17	887,048,227	722,286,318
Deposits and other accounts	18	3,302,842,200	2,584,871,300
Lease liability against right-of-use assets	19	28,428,316	25,848,322
Sub-ordinated sukuks	20	16,990,000	20,990,000
Deferred tax liabilities	21	1,654,497	14,211,335
Other liabilities	22	216,572,601	174,276,157
Total Liabilities		4,527,303,796	3,655,088,839
NET ASSETS		279,257,123	246,984,292
REPRESENTED BY			
Share capital	23	18,005,546	17,947,407
Reserves	24	57,960,448	48,002,267
Surplus on revaluation of assets - net of tax	25	14,380,110	22,141,192
Unappropriated profit		188,911,019	158,893,426
		279,257,123	246,984,292
CONTINGENCIES AND COMMITMENTS		26	

The annexed notes 1 to 54 and annexure I form an integral part of these unconsolidated financial statements.



Riyadh S. A. A. Edrees
Chairman



Dr. Syed Amir Ali
President &
CEO



Bader H.A.M.A. AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

Unconsolidated Statement of Profit and Loss Account

For The Year Ended December 31, 2025

	Note	2025	2024
Rupees in '000			
Profit / return earned on Islamic financing and related assets, investments and placements	27	420,462,297	494,296,852
Profit / return on deposits and other dues expensed	28	167,990,269	207,257,493
Net profit / return		252,472,028	287,039,359
OTHER INCOME			
Fee and commission income	29	22,695,552	21,338,882
Dividend income		2,014,703	2,190,252
Foreign exchange income		5,478,974	829,592
Gain on securities	30	986,809	3,515,947
Net loss on derecognition of financial assets measured at amortised cost	31	-	(186,473)
Other income	32	1,456,264	1,189,746
Total other income		32,632,302	28,877,946
Total income		285,104,330	315,917,305
OTHER EXPENSES			
Operating expenses	33	82,484,620	79,509,599
Workers' welfare fund	22.7	4,235,049	4,666,190
Other charges	34	80,701	435,343
Total other expenses		86,800,370	84,611,132
Profit before credit loss allowance / provisions		198,303,960	231,306,173
Credit loss allowance / provisions and write offs - net	35	3,885,731	9,221,069
Other income / expenses items		-	-
PROFIT BEFORE TAXATION		194,418,229	222,085,104
Taxation	36	105,376,979	120,577,580
PROFIT AFTER TAXATION		89,041,250	101,507,524
Rupees			
Basic earnings per share	37	49.54	56.62
Diluted earnings per share	37	49.22	56.30

The annexed notes 1 to 54 and annexure I form an integral part of these unconsolidated financial statements.



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Bader H.A.M.A. AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

For The Year Ended December 31, 2025

	Note	2025	2024
		Rupees in '000	
Profit after taxation for the year		89,041,250	101,507,524
Other comprehensive (loss) / income			
Items that may be reclassified to the unconsolidated statement of profit and loss account in subsequent periods:			
- Movement in surplus on revaluation of debt investments carried at FVOCI - net of tax		(8,654,674)	10,091,688
- Gain on sale of debt investments carried at FVOCI - reclassified to the unconsolidated statement of profit and loss account - net of tax		(455,513)	(1,613,480)
Items that will not be reclassified to the unconsolidated statement of profit and loss account in subsequent periods:			
- Movement in surplus on revaluation of equity investments carried at FVOCI - net of tax		1,588,360	2,231,135
- Remeasurement loss on defined benefit obligations - net of tax	40.6.2 & 40.15	(78,863)	(208,738)
Total comprehensive income for the year		81,440,560	112,008,129

The annexed notes 1 to 54 and annexure I form an integral part of these unconsolidated financial statements.



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Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For The Year Ended December 31, 2025

	Share capital		Share premium		Capital reserves	Revenue reserves		Surplus / (Deficit) on revaluation of		Unappropriated profit	Total
	Share capital	Share premium	Statutory reserve*	Non - Distributable Capital Reserve - Gain on Bargain Purchase	Employee share option compensation reserve	General reserve	Investments	Non-banking Assets			
Rupees in '000											
Balance as at January 01, 2024	17,912,532	2,626,441	30,617,082	3,117,547	654,321	66,766	10,920,597	-	118,992,231	184,907,517	
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	-	-	1,188,390	-	25,760	1,214,150	
Profit after taxation for the year	-	-	-	-	-	-	-	-	101,507,524	101,507,524	
Other comprehensive income for the year											
- Movement in surplus on revaluation of investments in debt instruments at FVOCI - net of tax	-	-	-	-	-	-	10,091,688	-	-	10,091,688	
- Gain on sale of debt investments carried at FVOCI - reclassified to the unconsolidated statement of profit and loss account - net of tax	-	-	-	-	-	-	(1,613,480)	-	-	(1,613,480)	
- Remeasurement loss on valuation of employee retirement benefits	-	-	-	-	-	-	-	-	(208,738)	(208,738)	
- Movement in surplus on revaluation of equity investments carried at FVOCI - net of tax	-	-	-	-	-	-	2,231,135	-	-	2,231,135	
	-	-	-	-	-	-	10,709,343	-	(208,738)	10,500,605	
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(677,138)	-	677,138	-	
Recognition of share based compensation (Note 42)	-	-	-	-	590,777	-	-	-	-	590,777	
Other appropriations											
Transfer to statutory reserve*	-	-	10,150,752	-	-	-	-	-	(10,150,752)	-	
Transactions with owners recognised directly in equity											
Final cash dividend for the year 2023 @ Rs. 8 per share	-	-	-	-	-	-	-	-	(14,330,026)	(14,330,026)	
First interim cash dividend for the year 2024 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,538,773)	(12,538,773)	
Second interim cash dividend for the year 2024 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,563,185)	(12,563,185)	
Third interim cash dividend for the year 2024 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,563,185)	(12,563,185)	
	-	-	-	-	-	-	-	-	(51,995,169)	(51,995,169)	
Issue of 3,487,520 shares under the Employees shares option scheme (note 37.4)	34,875	477,812	-	-	(299,231)	-	-	-	45,432	258,888	
Balance as at December 31, 2024	17,947,407	3,104,253	40,767,834	3,117,547	945,867	66,766	22,141,192	-	158,893,426	246,984,292	
Profit after taxation for the year	-	-	-	-	-	-	-	-	89,041,250	89,041,250	
Other comprehensive loss for the year											
- Movement in surplus on revaluation of investments in debt instruments at FVOCI - net of tax	-	-	-	-	-	-	(8,654,674)	-	-	(8,654,674)	
- Gain on sale of debt investments carried at FVOCI - reclassified to the unconsolidated statement of profit and loss account - net of tax	-	-	-	-	-	-	(455,513)	-	-	(455,513)	
- Gain on sale of equity investments carried at FVOCI - net of tax	-	-	-	-	-	-	-	-	-	-	
- Remeasurement loss on valuation of employee retirement benefits	-	-	-	-	-	-	-	-	(78,863)	(78,863)	
- Movement in surplus on revaluation of equity investments carried at FVOCI - net of tax	-	-	-	-	-	-	1,588,360	-	-	1,588,360	
Total other comprehensive income - net of tax	-	-	-	-	-	-	(7,521,827)	-	(78,863)	(7,600,690)	
Recognition of share based compensation (Note 42)	-	-	-	-	748,898	-	-	-	-	748,898	
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(239,255)	-	239,255	-	
Other appropriations											
Transfer to statutory reserve*	-	-	8,904,125	-	-	-	-	-	(8,904,125)	-	
Transactions with owners recognised directly in equity											
Final cash dividend for the year 2024 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,563,185)	(12,563,185)	
First interim cash dividend for the year 2025 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,563,185)	(12,563,185)	
Second interim cash dividend for the year 2025 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,603,883)	(12,603,883)	
Third interim cash dividend for the year 2025 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,603,883)	(12,603,883)	
	-	-	-	-	-	-	-	-	(50,334,136)	(50,334,136)	
Issue of 5,813,938 shares under the Employees shares option scheme (note 37.4)	58,139	774,981	-	-	(469,823)	-	-	-	54,212	417,509	
Balance as at December 31, 2025	18,005,546	3,879,234	49,671,959	3,117,547	1,224,942	66,766	14,380,110	-	188,911,019	279,257,123	

*This represents reserve created under section 21(i)(b) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 54 and annexure I form an integral part of these unconsolidated financial statements.

Riyadh S. A. A. Edrees
Chairman

Dr. Syed Amir Ali
President & CEO

Bader H.A.M.A. AlRabiah
Director

Tariq Mahmood Pasha
Director

Syed Imran Ali Shah
Chief Financial Officer

Unconsolidated Cash Flow Statement

For The Year December 31, 2025

	Note	2025	2024
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		194,418,229	222,085,104
Less: Dividend income		(2,014,703)	(2,190,252)
		192,403,526	219,894,852
Adjustments:			
Depreciation	33	7,161,828	5,929,556
Net profit / return		(256,648,672)	(290,861,636)
Amortisation	33	793,182	671,992
Depreciation on right-of-use-assets	33	2,876,393	2,622,253
Amortisation of lease liability against right-of-use assets	28	4,176,644	3,822,277
Credit loss allowance / provisions and write offs - net	35	3,885,731	9,221,069
Charge for defined benefit plan	33.1	1,648,091	1,036,001
Share based compensation expense	42	748,898	590,777
Unrealised gain - FVTPL	30	(17,610)	(4,351)
Gain on sale of property and equipment	32	(541,202)	(363,819)
		(235,916,717)	(267,335,881)
		(43,513,191)	(47,441,029)
(Increase) / decrease in operating assets			
Due from financial institutions		22,638,883	-
Islamic financing and related assets		(129,864,930)	(579,531,205)
Other assets		(11,066,525)	(14,051,552)
		(118,292,572)	(593,582,757)
Increase / (decrease) in operating liabilities			
Bills payable		(38,837,452)	72,881,231
Due to financial institutions		164,071,693	350,118,657
Deposits and other accounts		717,970,900	367,397,376
Other liabilities		55,604,698	45,366,931
		898,809,839	835,764,195
Contribution to defined benefit plan	40.5	737,004,076	194,740,409
Net profit / return received	38.2	(1,344,823)	(886,629)
Net profit / return paid		432,998,224	512,158,761
Income tax paid		(168,649,018)	(210,887,181)
		(118,712,410)	(133,892,053)
Net cash generated from operating activities		881,296,049	361,233,307
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in amortised cost securities		(334,471,831)	(20,970,295)
Net investments in securities classified as FVOCI		(411,806,321)	(254,938,436)
Net divestment in securities classified as FVTPL		3,851,405	5,785,702
Net investments in associates		(3)	(14,031)
Investments in subsidiaries		-	(1,000,000)
Dividends received		2,014,703	2,190,252
Additions in property and equipment		(10,588,181)	(13,953,803)
Additions in intangible assets		(1,326,064)	(1,297,163)
Proceeds from sale of property and equipment	12.2.2	1,057,663	586,816
Net cash used in investing activities		(751,268,629)	(283,610,958)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets	19	(5,020,039)	(4,348,408)
Redemption of subordinated sukuk		(4,000,000)	-
Proceed against issue of shares	37.4	417,509	258,888
Dividend paid		(50,331,189)	(52,818,741)
Net cash used in financing activities		(58,933,719)	(56,908,261)
Increase in cash and cash equivalents		71,093,701	20,714,088
Cash and cash equivalents at the beginning of the year	38	272,075,918	251,384,492
Opening net credit loss allowance on cash and cash equivalents		-	(36,327)
		272,075,918	251,348,165
Impact of net credit loss allowance on cash and cash equivalents during the year	35	(12,133)	13,665
Cash and cash equivalents at the end of the year	38	343,157,486	272,075,918

The annexed notes 1 to 54 and annexure I form an integral part of these unconsolidated financial statements.



Riyadh S. A. A. Edrees
Chairman



Dr. Syed Amir Ali
President & CEO



Bader H.A.M.A. AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Bank Limited (the Bank) was incorporated in Pakistan on January 27, 1997, as a public limited company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), and its shares are quoted on the Pakistan Stock Exchange Limited. The Bank was registered as an 'Investment Finance Company' on August 8, 1997, and carried on the business of investment banking as permitted under SRO 585(I)/87 dated July 13, 1987, in accordance and in conformity with the principles of Islamic Shariah. A 'Certificate of Commencement of Business' was issued to the Bank on September 29, 1997.
- 1.2 The Bank was granted a 'Scheduled Islamic Commercial Bank' license on January 31, 2002 and formally commenced operations as a Scheduled Islamic Commercial Bank with effect from March 20, 2002, on receiving notification in this regard from the State Bank of Pakistan (the SBP) under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.
- 1.3 The Bank was operating through one thousand one hundred and five branches as at December 31, 2025 (2024: one thousand and fifty one branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.
- 1.4 The VIS Credit Rating Company Limited (VIS) has reaffirmed the Bank's medium to long-term rating as 'AAA' and short-term rating as 'A1+' on June 30, 2025 (2024: 'AAA' and 'A1+' dated June 28, 2024).

2 BASIS OF PRESENTATION

The Bank provides Islamic financing and related assets mainly through Murabaha, Istisna, Tijarah, Ijarah, Diminishing Musharakah, Running Musharakah, Bai Muajjal, Musawammah, Service Ijarah, Wakalah, Wakalah Tul Istithmar including under Islamic Export Refinance Scheme and various long term Islamic refinancing facilities of the State Bank of Pakistan respectively as briefly explained in note 6.5.

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 utilised and the appropriate portion of profit thereon. The income on such financing is recognised in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable if so directed by the Resident Shariah Board Member (RSBM) of the Bank.

These unconsolidated financial statements have been prepared in accordance with the format for preparation of the annual financial statements of banks issued by the State Bank of Pakistan (SBP), vide its BPRD Circular letter No. 13 dated July 01, 2024.

The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern, Insha'Allah. Therefore, the unconsolidated financial statements continue to be prepared on a going concern basis.

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. The accounting and reporting standards comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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 Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by the SBP and the SECP differ with the requirements of IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications, shall prevail.

3.2 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

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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.

- 3.3** 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.
- 3.4** 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.
- 3.5** The Bank had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9.

The SBP has directed the Banks through its BPRD Circular Letter No. 01 dated January 22, 2025 to continue the existing revenue recognition methodology, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, profit / return earned on Islamic financing and related assets in unconsolidated statement of profit and loss account for the year ended December 31, 2025 would have been lower by Rs. 4,514 million (2024: Rs. 907.35 million) and taxation would have been lower by Rs. 2,392 million (2024: Rs. 489.97 million). Further, unappropriated profit in unconsolidated statement of changes in equity would have been higher by Rs. 3,149 million (2024: Rs. 5,186 million).

In addition, the SBP in a separate instructions BPRD/RPD/822456/25 dated January 22, 2025 has allowed extension for application of Effective Profit Rate up to December 31, 2025. Currently, the Bank is in the process of finalising the impacts of application of effective profit rate on its financial assets and liabilities.

3.6 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year:

3.6.1 There are certain amendments to the published accounting and reporting standards that are mandatory for the Bank's annual accounting period beginning on January 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Bank's unconsolidated financial statements and have, therefore, not been disclosed in these unconsolidated financial statements.

3.7 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective:

3.7.1 There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Bank for its annual periods beginning on or after January 1, 2026. However, these are not considered to be relevant or did not have any material effect on the Bank's unconsolidated financial statement except for:

- The new standard - IFRS 18 'Presentation and Disclosure in the Financial statements' (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'unconsolidated statement of profit and loss account' with certain additional disclosures in the unconsolidated financial statements; and
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' clarify the timing of recognition and derecognition of certain financial instruments including settlement of liabilities through banking instruments and channels including electronic transfers. Further, guidance on the SPPI assessment, and disclosure requirements for instruments with cash flow modifying features and equity instruments designated at FVOCI has also been amended. These amendments are effective from January 1, 2026. The amendment when applied may impact the accounting and presentation of the financial instruments.

4 BASIS OF MEASUREMENT

4.1 These unconsolidated financial statements have been prepared under the historical cost convention, except for

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certain non banking assets acquired in satisfaction of claims which are stated at revalued amounts, investment classified at fair value through profit or loss and fair value through other comprehensive income, commitments in respect of certain foreign exchange contracts which are measured at fair value, staff retirement benefits and compensated absences which are carried at present value.

4.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgments in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are 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.

Significant accounting estimates and areas where judgments were made by the management in the application of the material accounting policies are as follows:

- i) classification and fair valuation measurement of financial instruments (notes 6.1.1.1, 6.1.2.1, 6.3, 6.4, 7, 8, 9, 10, 11, 15, 16, 17 and 22);
- ii) credit loss allowance against financial instruments and off balance sheet obligations (notes 6.2, 7, 8, 9.3, 10.4.3, 11.8.6, 15.3 and 22.4);
- iii) accounting for defined benefit plan and compensated absences (notes 6.13, 6.14 and 40);
- iv) valuation and depreciation of property and equipment (notes 6.6.5, 6.6.7 and 12.2);
- v) valuation and amortisation of intangible assets (notes 6.6.5, 6.6.7 and 14);
- vi) impairment of non-financial assets (note 6.19);
- vii) valuation of non-banking assets acquired in satisfaction of claims (notes 6.9 and 15.2.1);
- viii) assumption and estimation in recognition of provision for taxation (current and prior years) and deferred taxation (notes 6.8 and 36);
- ix) determination of the lease term and incremental fund acceptance rate for lease contracts of various properties used by the Bank's branches and valuation of right-of-use assets and their related lease liability (notes 6.7, 13 and 19);
- x) Provisions, contingent assets and liabilities (notes 6.18, 22, and 26);
- xi) assumptions and estimates used in valuation of options under share-based compensation (notes 6.15 and 42); and
- xii) credit loss allowance / provision against other assets and other provisions (notes 6.21 and 15.3);

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 rupees unless otherwise stated.

6 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These are consistent with those applied to all the years presented.

6.1 Financial Instruments

6.1.1 Financial assets

6.1.1.1 Classification and subsequent measurement

The Bank classifies its financial assets in the following measurement categories:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income (FVOCI); and
- Financial assets at fair value through profit or loss account (FVTPL).

The classification requirements for debt and equity instruments are described below:

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Debt Instrument

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as financing, government and corporate sukuk.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Bank's business model for managing the asset; and
- (ii) the cash flows characteristics of the assets / SPPI test.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Profit earned from these financial assets is included in 'profit earned' using the effective profit rate method.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, profit income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the unconsolidated statement of profit and loss account. When the financial asset is derecognised, the 'cumulative gain or loss previously recognised in OCI is reclassified from equity to the unconsolidated statement of profit and loss account and recognised in gain on sale of securities'. Profit earned from these financial assets is included in profit earned using the effective profit rate method.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the unconsolidated statement of profit or loss and presented in the unconsolidated statement of profit and loss account within unrealised gain / loss on securities in the period in which it arises. Profit earned from these financial assets is included in profit earned on investments using the effective profit rate method.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model:

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part

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of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Eventually, the financial assets fall under either of the following three business models:

- i) **Hold to Collect (HTC) Business Model:** Holding assets in order to collect contractual cash flows.
- ii) **Hold to Collect and Sell (HTC&S) Business Model:** Collecting contractual cash flows and selling financial assets.
- iii) **Other Business Models:** Resulting in classification of financial assets as FVTPL.

Cash flows characteristics assessment – Solely payment of principal and profit test:

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount). The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic financing arrangement, the related financial asset is classified and measured at FVTPL.

Debt instruments which fail the SPPI test

The Bank holds a portfolio of debt instruments that failed to meet the 'solely payments of principal and profit' (SPPI) requirement for amortised cost and FVOCI classification under IFRS 9. These instruments contain provisions that, in certain circumstances, allow the issuer to fully convert the instrument into common shares or the issuer can also exercise the call option with prior approval of the SBP. This clause breaches the criterion that profit payments should only be consideration for credit risk and the time value of money on the principal. As a result, these instruments, were classified as FVTPL.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual share in the issuer's net assets.

The Bank measures all equity investments at fair value through profit or loss (FVTPL), except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate the equity investments as FVOCI when those investments are held for purposes other than for trading. When this election is used, fair value gains and losses are recognised in the unconsolidated statement of other comprehensive income and are not subsequently reclassified to the unconsolidated statement of profit and loss account, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the unconsolidated statement of profit and loss account as income when the Bank's right to receive payments is established.

Unquoted equity instruments are measured at fair value. Gains and losses on equity instruments at

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FVTPL are recognised in the 'Gain / (loss) on securities' FSLI in the unconsolidated statement of profit and loss account.

6.1.1.2 Impairment

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

6.1.1.3 Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset (that is terms are not substantially different) in accordance with IFRS 9, the Bank recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in unconsolidated statement of profit and loss account. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If the terms are substantially different, the Bank derecognises the original financial asset and recognised a 'new' asset at fair value and recalculates a new effective profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for credit loss allowance calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. Gain / (loss) on derecognition of such financial asset is recognised in unconsolidated statement of profit and loss account.

6.1.1.4 Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when these have been transferred and either (i) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

The Bank enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and sukuks) furnished by the Bank under due from and due to institutions are not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

6.1.2 Financial liabilities

6.1.2.1 Classification and subsequent measurement

All financial liabilities are being carried at amortised cost. Financial liabilities can also be designated

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at FVTPL where gains or losses arising from entity's own credit rating risk are required to be presented in other comprehensive income with no reclassification to profit and loss account. The Bank does not have any financial liability measured at FVTPL.

6.1.2.2 Derecognition

Financial liabilities are derecognised when these are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Bank and its original participants of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective profit rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of profit rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. 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.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in unconsolidated statement of profit and loss account.

6.1.3 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

6.1.4 Measurement of the expected credit loss allowance

The Bank assesses on a forward-looking basis the expected credit loss allowance (ECL) associated with Islamic financing and related assets and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and irrevocable unutilised financing commitments and other financial assets hereinafter referred to as "Financial Instruments". The Bank recognises a credit loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' or remaining maturity, whichever is lower, expected credit loss (12mECL) as outlined below.

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The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months or remaining maturity after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

A 12-month ECL is recorded for Islamic financing and related assets and off-balance sheet obligations which do not meet the criteria for SICR or "credit impaired" as at the reporting date. Both lifetime and 12-month ECL are calculated at facility level. The credit loss allowance is increased by provisions charged to the unconsolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries.

Effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Bank has identified basis of ECL computation for following stages:

Stage 1 : No significant deterioration in credit quality of financial asset - 12 month expected credit loss.

Stage 2 : Significant deterioration in credit quality of financial asset since recognition - lifetime expected credit loss.

Stage 3 : Credit impaired - impairment determined on individual or collective basis over the lifetime.

The staging guidelines applicable on the Bank has been adopted from the application instructions of IFRS - 9 issued by the SBP vide its BPRD circular 3 of 2023.

Particular	Classification	Days due	Stage allocation under IFRS 9	Provisions to be made
Prudential regulation for corporate	Performing	1-59	Stage 1	As per IFRS 9 ECL modelling
	Under-performing	60-89	Stage 2	
	Non-performing			
	Substandard	90-179	Stage 3	Whichever is higher: a) IFRS 9 ECL or b) PR's requirement
	Doubtful	180 or more days		
	Loss	one year or more		

* Other criteria have been mentioned in note 50.1.1.6.1

Definition of default

The concept of "impairment" or "default" is critical to the implementation of IFRS 9 as it drives determination of risk parameters i.e. PD and LGD.

The customer is more than 90 days past due on its contractual payments, except in case of agriculture, project infrastructure and housing financing. This implies that if one facility of a counterparty is defaulted as per the definition; all other facilities would deem to be classified as stage 3.

Further the following qualitative criteria has been determined for assessment of default:

- The Bank considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the Bank to actions such as realising security (if held).
- The Bank makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Bank taking on the exposure.
- The Bank sells the credit obligation at a material credit-related economic loss.
- The Bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, profit or (where relevant) fees.
- The Bank has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the industry group.

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- The obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the industry group.

SBP vide BPRD Circular No. 3 of 2022 dated July 5, 2022 has prescribed objective basis, based on Days Past Due, for classification of financing in stage 3. In addition to time based criteria, SBP requires Banks to evaluate and, where required, subjectively classify or further downgrade classification of financing. ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at Customer / Obligor / facility level for corporate / commercial / SME / Agri Financing portfolios and at segment / product basis for retail portfolio as prescribed by SBP vide BPRD Circular Letter No. 16 of 2024 dated July 29, 2024.

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework. Financing written off in accordance with the policy do not in any way prejudice the Bank's right of recovery from the customer.

6.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts, national prize bonds, overdrawn nostro accounts, placements and investments having original maturity of three months or less.

6.3 Due to / from financial institutions

Bai Muajjal

In Bai Muajjal, the Bank sells sukuk 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. Bai Muajjal with the Federal Government is classified as investment.

Musharaka / Mudaraba

In Musharaka / Mudaraba, the Bank (or the counterparty financial institutions / the SBP) invests in the shariah compliant business pools of the counterparty financial institutions / the SBP (or the Bank) at the agreed profit and loss sharing ratio.

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.

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.

The mudaraba investments from the SBP are initially recognised at amount of funds accepted except for an investment from SBP under Islamic Temporary Economic Refinance Facility (ITERF).

The Islamic Temporary Economic Refinance Facility (ITERF) mudaraba investment from the SBP is recorded at present value on initial recognition discounted at market rate. The difference between the fair value of the financial liability and the amount accepted is recognised as gain / (loss) in the unconsolidated statement of profit and loss account. Unwinding of an expense on fair value adjustment is also recognised in the unconsolidated statement of profit and loss account.

6.4 Islamic financing and related assets

Murabaha

In Murabaha transactions, the Bank purchases the goods and after taking the possession, sells them to the customer on cost plus disclosed profit basis either in a spot or credit transaction.

Ijarah

Ijarah assets are stated at cost less depreciation and are disclosed as part of 'Islamic financing and related

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assets'. The rental received / receivable on Ijarah under Islamic Financial Accounting Standard - 2 'Ijarah' (IFAS 2) are recorded as income / revenue. The Bank charges depreciation from the date of recognition of Ijarah of respective assets to mustajir. Ijarah assets are depreciated over the period of Ijarah using the straight line method. Ijarah rentals outstanding are disclosed in 'other assets' on the Statement of Financial Position at amortised cost. Impairment of Ijarah assets is determined in accordance with the Prudential Regulations issued by the SBP. The provision for impairment of Ijarah assets is shown as part of 'Islamic financing and related assets'.

Istisna

In Istisna financing, the Bank places an order to purchase some specific goods / commodities from its customers to be delivered to the Bank within an agreed time. The goods are then sold by the customer on behalf of the Bank and the amount hence financed along with profit realised net of agency fee and incentives is paid to the Bank.

Tijarah

In Tijarah financing, the Bank purchases specific goods / commodities on cash basis from its customers which is then onward sold by the customer on behalf of the Bank and on subsequent sale, the financed amount along with profit realised net of agency fee and incentives is paid by the customer to the Bank.

Diminishing Musharakah

In Diminishing Musharakah financing, the Bank enters into Musharakah based on Shirkat-ul-milk for purchasing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers. The customers pay periodic profit as per the agreement for the utilisation of the Bank's Musharakah share and also periodically purchase the Bank's share over the tenure of the transaction.

However, the Diminishing Musharakah financing disbursed under Islamic Temporary Economic Refinance Facility (ITERF) and under staff financing policy is recorded at fair value on initial recognition discounted at prevailing market rate. The difference between the fair value of the financial asset and the amount disbursed is recorded as gain / (loss) and unwinding of income on fair value adjustment is recognised in the unconsolidated statement of profit and loss account.

Running Musharakah

In Running Musharakah financing, the Bank enters into financing with the customer based on Shirkatul Aqd or business partnership in the customer's operating business. Under this mechanism, the customer can withdraw and return funds to the Bank subject to his Running Musharakah financing limit during the Musharakah period. At the end of each quarter / half year 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 accounts of the customer.

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.

Service Ijarah

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.

Wakalah

Wakalah is an agency or a delegated authority where the Muwakkil (principal) appoints the Wakil (agent) to carry out a specific job on behalf of the Muwakkil. Funds disbursed are initially recorded as 'Advance against Wakalah'. On culmination, the same are recorded as financings.

Wakalah tul Istithmar

In Wakalah tul Istithmar financing, the Bank enters into investment agency transaction with customer acting as an agent of the Bank. Under this mechanism, the funds disbursed are invested by the customer on behalf of the Bank and are recorded as financing upon their investment in the business. At the end of each quarter / half year / other defined period, the customer pays the provisional profit which is subject to adjustment upon actual declaration of Wakala business performance by the agent.

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For The Year Ended December 31, 2025

Musawammah

In Musawammah financing, the Bank purchases the goods and after taking the possession, sells them to the customer either in spot or credit transaction, without disclosing the cost.

6.4.1 Funds disbursed, under financing arrangements for purchase of goods / assets are recorded as an advance. On culmination, financing are recorded at the deferred sale price net of profit. Goods purchased but remaining unsold at the unconsolidated statement of financial position date are recorded as inventories as disclosed in note 6.6.3.

6.4.2 Credit loss allowance / provision against non-performing Islamic financing and related assets

Islamic financing and related assets are stated net of credit loss allowance / provision held against non-performing Islamic financing and related assets in accordance with the requirements of the Prudential Regulations and IFRS 9 application instructions issued by the SBP as disclosed in note 6.1.4 which are charged to the unconsolidated statement of profit and loss account. In addition to the above the Bank has also maintained a general provision in respect of financing against potential losses as may be present in the portfolio as disclosed in note 11.8. This provision is based on management's best estimate and is approved by the Board of Directors of the Bank.

The net ECL / provision made / reversed during the year is charged to the unconsolidated statement of profit and loss account and accumulated ECL / provision is netted off against Islamic financing and related assets. Islamic financing and related assets are written off when there are no realistic prospects of recovery.

6.4.3 Inventories

The Bank values its inventories at the lower of cost and net realisable value.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Cost of inventories represents actual purchases made by the Bank / customers as an agent of the Bank for subsequent sale. Inventory against each contract is maintained on specific identification method.

6.5 Investments

Investments include Federal Government securities, shares, units of mutual funds, non-Government sukuks, foreign securities, associates and subsidiaries. Classification and measurement of investments have been disclosed in note 6.2.

6.5.1 Associates are all entities over which the Bank has significant influence but not control. Certain mutual funds are managed by the subsidiary company of the Bank and hence, the Bank has significant influence over such funds and therefore, investment in these mutual funds are considered as investment in associates in these unconsolidated financial statements. Investment in associates is carried at cost less accumulated impairment losses, if any.

6.5.2 Subsidiary is an entity over which the Bank has control. Investment in subsidiaries are carried at cost less accumulated impairment losses, if any.

6.5.3 Impairment of investment in associates and subsidiaries

In respect of investment in associates and subsidiaries, 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 value in use and fair value less cost to sell. Impairment loss is recognised in the unconsolidated statement of profit and loss account.

6.5.4 Regular way contracts

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at the trade date, which is the date on which the Bank commits to purchase or sell the investments.

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For The Year Ended December 31, 2025

6.6 Property and equipment and intangible assets

6.6.1 Property and equipment

They are stated at cost less accumulated depreciation and any identified impairment loss. Items of property and equipment costing Rs. 40,000 or less are not capitalised and are charged off in the month of purchase. An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Profit or loss on disposal of property and equipment is included in the unconsolidated statement of profit and loss account.

6.6.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures 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.

6.6.3 Intangible assets

Intangible assets comprise of computer software. Intangible assets with definite useful lives are stated at cost less accumulated amortisation and impairment losses (if any).

6.6.4 Subsequent costs related to property and equipment and intangible assets

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 repairs and maintenance expenditure are charged to the unconsolidated statement of profit and loss account as and when incurred.

6.6.5 Depreciation / amortisation related to property and equipment and intangible assets

Depreciation / amortisation is charged to the unconsolidated profit and loss account by applying the straight line method in accordance with the rates specified in notes 12.2 and 14.1 whereby the depreciable value of an asset is written off over its estimated service life. The Bank charges depreciation / amortisation from the month of acquisition and up to the month preceding the disposal. Right-of-use assets are depreciated on a straight line basis over the lease term specified in note 13.

6.6.6 Useful lives and residual values related to property and equipment and intangible assets

Useful lives, residual values and depreciation method are reviewed at each reporting date and adjusted, if impact on depreciation / amortisation is significant.

6.6.7 Impairment related to property and equipment and intangible assets

The Bank assesses at each reporting date whether there is any indication that the operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in the unconsolidated statement of profit and loss account

6.7 Right-of-use assets and lease liabilities

Right-of-use 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. The right-of-use assets are presented within note 13 and are subject to impairment in line with the Bank's policy as described in note 6.8.7.

Lease liabilities

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.

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value

Notes to and Forming Part of the Unconsolidated Financial Statements

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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.

Incremental fund acceptance rate

The Incremental fund acceptance rate is the rate of profit that the Bank would have to pay to accept its fund over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6.8 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the unconsolidated statement of 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

The charge for current taxation is based on expected taxable income for the year in accordance with the prevailing laws of taxation. The charge for current tax also includes adjustments to tax payable in respect of previous years including those arising from assessments finalised during the year and are separately disclosed.

Prior years

This charge includes tax charge for prior years arising from assessments, changes in estimates and change in law.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to initial recognition of goodwill, initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by 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 assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

In making the estimates for current and deferred taxes, the management considers the income tax law and the decisions of appellate authorities on certain issues in the past.

6.9 Non-banking assets acquired in satisfaction of claims

The non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. The useful lives are reviewed annually and adjusted, if appropriate. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of property, if any, is credited to the 'surplus on revaluation of assets' account in the statement of other comprehensive income. Any deficit arising on revaluation is taken to unconsolidated profit and loss account directly. On derecognition of the assets, the cumulative gain or loss previously reported in other comprehensive income is transferred directly to unappropriated profit in the unconsolidated statement of changes in equity. Legal fees, transfer cost and direct cost of acquiring title to property is charged to the unconsolidated statement of profit and loss account.

6.10 Deposits

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current accounts' and deposits generated on Mudaraba basis

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

are classified as 'Savings deposits' and 'Fixed deposits'. No profit or loss is passed on to current account depositors, however the funds of current accounts are treated as equity for the purpose of profit calculation and any profit earned / loss incurred on those funds are allocated to the equity of the Bank. While the product features of each product differ, there is usually no restriction on withdrawals or number of transactions in current and savings accounts. In case of fixed 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. Mudarib can distribute its share of profit to Rab-ul-Maal as Incentive profits (Hiba).

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.

Asset pools are created at the Bank's discretion and the Bank can add, amend or transfer an asset to any other pool in the profits of the deposit holders.

6.11 Sub-ordinated Sukuks

The Bank records sub-ordinated sukuk initially at the amount of proceeds received. Profit accrued on sub-ordinated sukuk is charged to the unconsolidated statement of profit and loss account. These are subsequently measured at amount outstanding.

6.12 Pool Management

The Bank operates general and specific pools for deposits and inter-bank funds accepted / acquired under Mudaraba and Musharakah modes.

Under the general deposits pools, the Bank accepts funds on Mudaraba basis from depositors (Rab-ul-Maal) where the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financing, investments and placements. When utilising investing funds, the Bank prioritizes the funds received from depositors over the funds generated from own sources after meeting the regulatory requirement relating to such deposits.

Specific pools are operated for funds acquired / accepted from the State Bank of Pakistan and other banks for Islamic Export Refinance to the Bank's customers and liquidity management respectively under the Musharakah / Mudaraba modes.

The profit of each deposit pool is calculated on all the remunerative assets booked by utilising the funds from the pool after deduction of expenses directly incurred in earning the income of such pool along with related fee income, if any. The directly related costs comprise of depreciation on ijarah assets, takaful premium, documentation charges etc. No expense of general or administrative nature is charged to the pools. Impact of provisions, write offs and actual losses on sale of investment will be passed to the pool as per SBP instructions in line with Bank's shariah guidelines as issued from time to time. The profit of the pool is shared between equity and other members of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee. During the year, the Bank has given Hiba to the depositors of General Pools, keeping in view the prescribed guidelines of Pool Management provided by the SBP and with the approval of the Bank's Resident Shariah Board Member. However, Hiba are given at the sole discretion of the Bank without any contractual commitment and can be withdrawn or reduced by the Bank at its sole discretion.

The risk characteristic of each pool mainly depends on the assets and liabilities profile of each pool. As per the Bank's policy, relatively low risk / secured financing transactions and assets are allocated to general depositors pool of Rupee, USD, GBP and Euro. The Bank maintains General Pools (Rupee, USD, EUR, GBP), FI Pools, IERS pool and Equity pool. The general pools are exposed to general credit risk, asset ownership risk and profit rate risk of the underlying assets involved.

General Pools:

For General Pools (Rupee, USD, EUR, GBP), the Bank allocates PKR financing to Corporate, Commercial, SME and Consumer Finance customers in diversified sectors and avenues of the economy / business as mentioned in note 50.1.2.3. Investments in Sovereign Guaranteed Sukuk, and Bai Muajjal with the State Bank of Pakistan / Government of Pakistan, are also done through General Pools. All remunerative deposits are tagged to these

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general pools and their funds generated from the depositors are invested on priority basis. Investments from the SBP under various long term Islamic refinance schemes, and sub-ordinated sukuk are also remunerated through the Rupee General Pool. Due to limited investment options in USD, GBP and EURO pool, funds from foreign currency pools are invested in available International Sukuk, Shariah Compliant Nostro accounts, foreign currency financing and the remaining funds are taken out and invested in Rupee general pool as part of equity. In such cases return from Rupee General Pool is given back to foreign currency pools, so that returns can be passed on to foreign currency pool customers accordingly. The Bank as Mudarib in the general pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

IERS Pools:

The IERS pool assets comprise of sovereign guaranteed sukuk, and financing to / sukuk of mainly blue chip companies and exporters as allowed under the applicable rules and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

FI / Special Pools:

The FI / Special pool assets generally comprise of sovereign guaranteed sukuk and financing under diminishing musharakah mode only (including those relating to consumer financing) and the related liability of the FI / special pools comprise of Musharakah / Mudarabah from corporates, other banks, financial institutions, high networth individuals etc. These pools are created to meet the liquidity requirements of the Bank, to place special deposits or to finance growth in specific assets. Return earned from these pools is derived from the underlying assets and is distributed to customers as per applicable profit sharing ratio.

Equity Pools:

All other assets including fixed assets, exposure in shares, Rupee bai-salam financing and subsidized financing to the Bank's employees are tagged to equity pool. To safeguard the interest of customers, all high risk investments are also done through equity pool. The Bank as Mudarib in the equity pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

6.13 Staff retirement benefits

Defined benefit plan

The Bank operates an approved Gratuity Funded Scheme for its permanent employees. The scheme was approved by the tax authorities in April 2000. The liability recognised in respect of Gratuity Funded Scheme is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations. The defined benefit obligation is calculated periodically by an independent actuary using the projected unit credit method. The last valuation was conducted as on December 31, 2025.

The Bank was also operating an End of Service Unfunded Defined Benefit Scheme as approved by the Board of Directors for the benefit of the founding President and Ex-Chief Executive Officer of the Bank. During, the year the scheme has matured upon the retirement of the Ex-Chief Executive Officer. Accordingly, no remeasurement gain / loss has been recorded in the unconsolidated statement of comprehensive income.

Amounts arising as a result of "Remeasurements" of gratuity funded scheme, representing the actuarial gains and losses and the difference between the actual investment returns and that implied by the net return cost are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to "other comprehensive income" in the periods in which they occur. The actuarial valuations involve assumption and estimates of discount rates, expected rates of return on assets, future salary increases and future inflation rates as disclosed in note 40.

Defined contribution plan

The Bank also operates a recognised contributory Provident Fund for all permanent employees. Equal monthly contributions are made, both by the Bank and the employees, to the fund at a rate of 10% of basic salary.

6.14 Compensated absences

The Bank recognises liability in respect of employees compensated absences in the period in which these are earned up to the date of statement of financial position. The provision is recognised on the basis of actuarial valuation conducted on December 31, 2025 using the projected unit credit method.

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6.15 Share-based compensation

The Bank has granted share options to its employees under the Meezan Bank Employees Share Option Scheme, 2021 as approved by the shareholders and the SECP. The cost of these share options is determined by the fair value at the date when the grant is made using a valuation model by an independent valuer and is recognised as expense over the vesting period together with a corresponding credit in equity - Employee share option compensation reserve (Note 42). The dilutive effect of outstanding options (if any) is reflected as share dilution in the computation of diluted earnings per share. When the options are exercised, employee share option compensation reserve relating to these options is transferred to share capital and share premium. Portion of employee share option compensation reserve relating to options not exercised is transferred to unappropriated profit.

6.16 Dividend and reserves

Dividend declared and appropriations, except for transfer to statutory reserve, made subsequent to the reporting date are considered as non adjusting events and are recorded as a liability in the unconsolidated financial statements in the year in which these are approved by the directors / shareholders as appropriate.

6.17 Foreign currency transactions

Transactions and balances

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 statement of profit and loss account.

Commitments

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.

Translation gains and losses are included in the unconsolidated statement of profit and loss account.

6.18 Provisions and contingent assets and liabilities

Provisions are recognised when the Bank has a present legal or constructive obligation arising as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent assets are not recognised, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed unless the probability of an outflow of resources embodying economic benefits are remote.

6.19 Impairment of non-financial assets

The carrying amount of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

6.20 Credit loss allowance for claims under guarantees and other off balance sheet obligations

Credit loss allowance for guarantee claims and other off balance sheet obligations is recognised when reasonable certainty exists for the Bank to settle the obligation. The charge to the unconsolidated statement of profit and loss account is stated net of expected recoveries and credit loss allowance against off-balance obligations is recognised in other liabilities.

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6.21 Other credit loss allowance

Other credit loss allowance are recognised when the Bank has a present, 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 estimate.

6.22 Acceptances, guarantees and letters of credit

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are accounted for as on-balance sheet transactions and related balances are disclosed under other assets and other liabilities.

The Bank issues guarantees and letters of credit. These are disclosed in the unconsolidated statement of financial position as part of contingencies and commitments.

6.23 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

6.24 Revenue recognition

Revenue from contract with customers is earned by the Bank in the form funded and non-funded revenue. The Bank is in the business of providing financing, trade, investment banking, wealth management, home remittance, cash management and branch banking (including card and ADC) related services to the customers. Revenue from contracts with customers is recognised when or as the Bank satisfies the performance obligation, either over time or at a specific point of time at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for the services rendered or financing provided to the customers.

- i) Profit on Murabaha (including Commodity Murabaha) and Musawammah is recognised on an accrual basis. Profit on Murabaha and Musawammah transactions for the period from the date of disbursement to the date of culmination of Murabaha and Musawammah is recognised immediately upon the later date in line with IFAS requirements.
- ii) Rentals on Ijarah contracts are recognised as income on an accrual basis in line with IFAS requirements.
- iii) Profit on Bai Muajjal transaction is recognised on an accrual basis.
- iv) Profit on Diminishing Musharakah financing is recognised on an accrual basis.
- v) Profit on Running Musharakah financing is recognised on an accrual basis and is adjusted upon declaration of profit by Musharakah partners.
- vi) Profit on Tijarah and Istisna financing is recognised on an accrual basis commencing from time of sale of goods till the realisation of sale proceeds by the Bank.
- vii) Profit on Service Ijarah is recognised on an accrual basis commencing from the date of confirmation of sale.
- viii) Profit on Wakalah tul Istithmar / Wakalah is recognised on an accrual basis and commensurate with the Wakalah business performance / work done by the agent.
- ix) 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.
- x) Commission on letters of credit, acceptances and guarantees is recognised on receipt basis, except for commission on guarantees in excess of Rs. 250,000 which is recognised over the period of the guarantee. Fee and brokerage income are recognised when earned.
- xi) The Bank earns fee and commission income from certain non-funded banking services. The related 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 recognition of fee and commission income depends on the purpose for which the fees are received. The majority share of the income classified as card related fees (debit cards), commission on trade and commission on remittances constitutes revenue from contracts with customers. Fee and commission income is recognised when or

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as the Bank satisfies the performance obligation, either over time or at a specific point of time. Unearned fees and commissions are included under Other liabilities.

- xii) Dividend income is recognised when the Bank's right to receive dividend is established.
- xiii) Gain or loss on sale / modification of investments is included in the unconsolidated statement of profit and loss account in the period in which they arise.
- xiv) Gain or loss on disposal of property and equipment, intangible assets, Ijarah assets and Musharakah assets is taken to the unconsolidated statement of profit and loss account in the period in which they arise.
- xv) 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.

6.25 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year. EPS is retrospectively adjusted for the effect of bonus shares issued.

Diluted EPS is calculated by dividing the net profit of Bank (after adjusting for return and related tax impact) on the convertible instruments / share options by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion / exercise of all the dilutive potential ordinary shares into ordinary shares.

6.26 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.27 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format of reporting is based on business segments. Operating segments are reported in a manner consistent with the internal reporting provided to the management. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

6.27.1 Business segments

Corporate and Commercial Banking

It includes trade finance, export finance, project finance, Ijarah, guarantees and bills of exchange relating to its Corporate, Commercial and SME customers, investment banking, syndications, IPO related activities (excluding investments), secondary private placements, underwriting and securitisation.

Retail Banking

It includes retail financing, deposits and banking services offered to its retail customers.

Trading and Sales

It includes equity, foreign exchanges, commodities, own securities and placements.

Others

It includes functions which cannot be classified in any of the above segments.

6.27.2 Geographical segments

The Bank operates only in Pakistan.

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	Note	2025	2024
7 CASH AND BALANCES WITH TREASURY BANKS		Rupees in '000	
In hand			
- local currency		53,186,875	54,273,193
- foreign currencies		2,774,219	4,243,363
		55,961,094	58,516,556
With the State Bank of Pakistan in			
- local currency current account		177,334,102	147,811,687
- foreign currency current accounts		17,725,572	15,694,215
	7.1	195,059,674	163,505,902
With the National Bank of Pakistan in			
- local currency current accounts		79,533,880	38,694,972
National prize bonds	7.2	270	22,945
Less: Credit loss allowance held against cash and balances with treasury banks		(12,100)	(6,117)
Cash and balances with treasury banks - net of credit loss allowance		330,542,818	260,734,258
7.1 These include local and foreign currency amounts required to be maintained by the Bank with the SBP under the Banking Companies Ordinance, 1962 and / or stipulated by the SBP. These accounts are non-remunerative in nature.			
7.2 These represent the national prize bonds received from customers for onward surrendering to SBP. The Bank, as a matter of Shariah principle, does not deal in prize bonds.			

	Note	2025	2024
8 BALANCES WITH OTHER BANKS		Rupees in '000	
In Pakistan			
- in current accounts		11,868,771	10,723,532
Outside Pakistan			
- in current accounts		3,542,098	2,437,740
- in deposit accounts	8.1	-	280,223
		3,542,098	2,717,963
Less: Credit loss allowance held against balances with other banks		(22,695)	(16,545)
Balances with other banks - net of credit loss allowance		15,388,174	13,424,950
8.1 This represents the balance in the remunerative account maintained with financial institutions outside Pakistan. The return on these balances are Nil (2024: 3.50%) per annum.			

	Note	2025	2024
9 DUE FROM FINANCIAL INSTITUTIONS		Rupees in '000	
Bai Muajjal receivable:			
- from scheduled bank / financial institution - secured		-	34,964,299
- from other financial institution		15,500	15,500
		15,500	34,979,799
Musharakah placements - outside Pakistan - unsecured	9.1	12,325,416	-
	9.2	12,340,916	34,979,799
Less: Credit loss allowance against due from financial institutions	9.3	(15,691)	(15,500)
Due from financial institutions - net of credit loss allowance		12,325,225	34,964,299

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

- 9.1 The average return on this product is 3.83% (2024: Nil) per annum. These balances have matured in January 2026.

	2025	2024
	Rupees in '000	
9.2 Particulars of due from financial institutions		
In local currency	15,500	34,979,799
In foreign currency	12,325,416	-
	<u>12,340,916</u>	<u>34,979,799</u>

9.3 Particulars of credit loss allowance against due from financial institutions

	2025		2024	
	Due from financial institutions	Credit loss allowance	Due from financial institutions	Credit loss allowance
	Rupees in '000			
Domestic				
Stage 1 / Performing	8,403,693	13	34,964,299	-
Stage 2 / Under performing	3,921,723	178	-	-
Stage 3 / Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	15,500	15,500	15,500	15,500
	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>
Total	<u>12,340,916</u>	<u>15,691</u>	<u>34,979,799</u>	<u>15,500</u>

9.3.1

	2025				2024				
	Expected Credit Loss			Total	Expected Credit Loss			Specific	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		
	Rupees in '000								
Opening balance	-	-	15,500	15,500	-	-	-	15,500	15,500
Implementation of IFRS 9	-	-	-	-	-	-	15,500	(15,500)	-
Balance as at January 01 after implementing IFRS 9	-	-	15,500	15,500	-	-	15,500	-	15,500
Transfer to stage 1	-	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	-	-	15,500	15,500	-	-	15,500	-	15,500
Fresh disbursements	13	178	-	191	-	-	-	-	-
Amount derecognised / repaid	-	-	-	-	-	-	-	-	-
Amounts written off / charged off	-	-	-	-	-	-	-	-	-
Unwind of discount	-	-	-	-	-	-	-	-	-
Changes in risk parameters / other changes	-	-	-	-	-	-	-	-	-
	13	178	-	191	-	-	-	-	-
Balance at the end of the year	13	178	15,500	15,691	-	-	15,500	-	15,500

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

10 INVESTMENTS

10.1 Investments by types

		Note	2025				2024			
			Cost / Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying Value
Rupees in '000										
Debt Instruments										
Classified / measured at FVOCI										
- Federal Government securities	10.5.1		2,078,057,070	-	22,244,965	2,100,302,035	1,317,019,755	-	37,668,822	1,354,688,577
- Non Government sukuks	10.5.4		10,355,525	317,597	22,659	10,060,587	126,953,624	344,437	3,711,417	130,320,604
- Foreign securities	10.5.5		10,808,893	1,186	62,451	10,870,158	4,028,707	429	(70,608)	3,957,670
			2,099,221,488	318,783	22,330,075	2,121,232,780	1,448,002,086	344,866	41,309,631	1,488,966,851
Classified / measured at amortised cost										
- Federal Government securities	10.6		454,544,838	-	-	454,544,838	362,725,910	-	-	362,725,910
Instruments mandatorily classified / measured at FVTPL										
- Federal Government securities			909,861	-	-	909,861	4,778,499	-	-	4,778,499
- Units of open-ended mutual funds			76,383	-	19,594	95,977	59,150	-	7,483	66,633
- Non Government sukuks			933,000	-	6,564	939,564	933,000	-	1,066	934,066
			1,919,244	-	26,158	1,945,402	5,770,649	-	8,549	5,779,198
Equity instruments										
Classified / Measured at FVOCI (Non-reclassifiable)										
Shares										
- Listed companies	10.5.2		9,234,270	-	7,565,991	16,800,261	5,708,407	-	4,804,705	10,513,112
- Unlisted companies	10.5.3		318,638	-	62,496	381,134	604,679	-	13,148	617,827
- Foreign company (SWIFT)	10.5.5		10,389	-	-	10,389	10,389	-	-	10,389
			9,563,297	-	7,628,487	17,191,784	6,323,475	-	4,817,853	11,141,328
In related parties										
Subsidiaries										
Al Meezan Investment Management Limited	10.1.1 & 10.2		63,050	-	-	63,050	63,050	-	-	63,050
Meezan Exchange Company (Private) Limited	& 10.7		1,000,000	-	-	1,000,000	1,000,000	-	-	1,000,000
			1,063,050	-	-	1,063,050	1,063,050	-	-	1,063,050
Associates										
Meezan Balanced Fund			161,345	-	-	161,345	161,345	-	-	161,345
Al Meezan Mutual Fund			312,371	-	-	312,371	312,371	-	-	312,371
Meezan Islamic Fund			225,081	-	-	225,081	225,081	-	-	225,081
Meezan Sovereign Fund	10.1.1		-	-	-	-	514	-	-	514
Meezan Rozana Amdani Fund	& 10.2		517	-	-	517	-	-	-	-
Meezan Gold Fund			49,972	-	-	49,972	49,972	-	-	49,972
KSE Meezan Index Fund			100,000	-	-	100,000	100,000	-	-	100,000
Meezan Cash Fund			5,000	-	-	5,000	5,000	-	-	5,000
Meezan Islamic Income Fund			5,000	-	-	5,000	5,000	-	-	5,000
			859,286	-	-	859,286	859,283	-	-	859,283
Total Investments			2,567,171,203	318,783	29,984,720	2,596,837,140	1,824,744,453	344,866	46,136,033	1,870,535,620

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

10.1.1 Details of investment in subsidiaries and associates

2025							
	Percentage of holding (%)	Assets	Liabilities	Revenue / Income	Profit after taxation	Total comprehensive income	Market Value / Net Asset Share
Rupees in '000							
Subsidiaries (unlisted)							
Al Meezan Investment Management Limited	65.00%	10,399,202	3,191,415	10,077,316	4,157,600	4,157,600	N/A
Meezan Exchange Company (Private) Limited	100.00%	1,058,545	27,109	167,241	836	836	N/A
Associates (open ended - listed)							
Meezan Balanced Fund	10.74%	5,020,372	72,632	984,672	818,563	818,563	531,295
Al Meezan Mutual Fund	4.68%	25,560,147	283,334	5,926,327	5,232,036	5,232,036	1,183,791
Meezan Islamic Fund	3.26%	65,642,680	1,143,199	18,137,753	16,030,819	16,030,819	2,103,655
Meezan Rozana Amdani Fund*	-	31,568,686	78,788	4,581,601	3,977,978	3,977,978	517
Meezan Gold Fund	3.69%	8,555,689	272,526	2,145,387	1,998,729	1,998,729	305,515
KSE Meezan Index Fund	6.31%	6,318,519	52,679	1,772,382	1,669,653	1,669,653	395,467
Meezan Cash Fund*	-	264,997,361	927,468	22,905,987	20,112,947	20,112,947	5,278
Meezan Islamic Income Fund	0.03%	20,034,591	89,311	2,586,956	2,044,770	2,044,770	5,239
		427,698,045	2,919,937	59,041,065	51,885,495	51,885,495	4,530,757

* Nil percentage due to round off

2024							
	Percentage of holding (%)	Assets	Liabilities	Revenue / Income	Profit after taxation	Total comprehensive income	Market Value / Net Asset Share
Rupees in '000							
Subsidiaries (unlisted)							
Al Meezan Investment Management Limited	65.00%	8,130,073	2,662,520	7,137,629	2,943,580	2,943,580	N/A
Meezan Exchange Company (Private) Limited	100.00%	1,057,295	23,447	150,306	33,848	33,848	N/A
Associates (open ended - listed)							
Meezan Balanced Fund	13.40%	3,606,799	257,557	1,060,056	954,492	954,492	448,928
Al Meezan Mutual Fund	8.42%	10,430,810	235,289	4,113,019	3,883,772	3,883,772	858,366
Meezan Islamic Fund	3.55%	44,842,591	1,115,789	17,625,926	16,655,792	16,655,792	1,550,277
Meezan Sovereign Fund*	-	272,303,981	2,755,188	23,900,940	22,176,692	22,176,692	572
Meezan Gold Fund	7.49%	2,787,923	20,177	478,263	430,402	430,402	207,432
KSE Meezan Index Fund	4.49%	6,804,275	115,925	2,249,888	2,166,786	2,166,786	300,253
Meezan Cash Fund	0.01%	90,343,436	423,819	12,858,463	11,994,400	11,994,400	5,429
Meezan Islamic Income Fund	0.01%	46,775,350	516,945	4,850,189	4,453,056	4,453,056	5,464
		477,895,165	5,440,689	67,136,744	62,715,392	62,715,392	3,376,721

* Nil percentage due to round off

Subsidiaries and associates are incorporated / registered in Pakistan. Shares in subsidiaries are placed in custody account with Central Depository of Pakistan and cannot be sold without the prior approval of SECP in accordance with the SECP's circular No. 9 of 2006 dated June 15, 2006.

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

10.2 Investments by segments

		Note	2025				2024			
			Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000										
Federal Government Securities										
- Ijarah Sukuks	10.2.2,	{	2,142,306,243	-	22,244,965	2,164,551,208	1,658,692,091	-	37,668,822	1,696,360,913
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	10.5.1 & 10.6		390,295,665	-	-	390,295,665	21,053,574	-	-	21,053,574
- Islamic Naya Pakistan Certificates			909,861	-	-	909,861	4,778,499	-	-	4,778,499
			2,533,511,769	-	22,244,965	2,555,756,734	1,684,524,164	-	37,668,822	1,722,192,986
Shares and units of mutual funds										
Listed companies	10.5.2		9,234,270	-	7,565,991	16,800,261	5,708,407	-	4,804,705	10,513,112
Unlisted companies	10.5.3		318,638	-	62,496	381,134	604,679	-	13,148	617,827
Units of mutual funds			76,383	-	19,594	95,977	59,150	-	7,483	66,633
			9,629,291	-	7,648,081	17,277,372	6,372,236	-	4,825,336	11,197,572
Non Government Sukuk										
Listed			-	-	-	-	114,348,701	-	3,696,976	118,045,677
Unlisted			11,288,525	317,597	29,223	11,000,151	13,537,923	344,437	15,507	13,208,993
			11,288,525	317,597	29,223	11,000,151	127,886,624	344,437	3,712,483	131,254,670
Foreign Securities										
Government sukuks	10.5.5	{	9,969,644	1,042	47,205	10,015,807	3,194,577	326	(67,060)	3,127,191
Non Government sukuks			839,249	144	15,246	854,351	834,130	103	(3,548)	830,479
Shares			10,389	-	-	10,389	10,389	-	-	10,389
			10,819,282	1,186	62,451	10,880,547	4,039,096	429	(70,608)	3,968,059
Associates										
Meezan Balanced Fund	10.1.1	{	161,345	-	-	161,345	161,345	-	-	161,345
Al Meezan Mutual Fund			312,371	-	-	312,371	312,371	-	-	312,371
Meezan Islamic Fund			225,081	-	-	225,081	225,081	-	-	225,081
Meezan Sovereign Fund			-	-	-	-	514	-	-	514
Meezan Rozana Amdani Fund			517	-	-	517	-	-	-	-
Meezan Gold Fund			49,972	-	-	49,972	49,972	-	-	49,972
KSE Meezan Index Fund			100,000	-	-	100,000	100,000	-	-	100,000
Meezan Cash Fund			5,000	-	-	5,000	5,000	-	-	5,000
Meezan Islamic Income Fund			5,000	-	-	5,000	5,000	-	-	5,000
				859,286	-	-	859,286	859,283	-	-
Subsidiaries										
Al Meezan Investment Management Limited	10.7 & 10.1.1		63,050	-	-	63,050	63,050	-	-	63,050
Meezan Exchange Company (Private) Limited			1,000,000	-	-	1,000,000	1,000,000	-	-	1,000,000
			1,063,050	-	-	1,063,050	1,063,050	-	-	1,063,050
Total Investments			2,567,171,203	318,783	29,984,720	2,596,837,140	1,824,744,453	344,866	46,136,033	1,870,535,620

10.2.1 During the year, the Bank has changed the classification of financial assets - Federal Government securities (GoP ijarah sukus) amounting to Rs. 242,653 million from amortised cost to fair value through other comprehensive income due to reassessment of business model of the Bank. The reclassification has been made with effect from January 01, 2025. The revaluation gain of Rs. 1,091 million - gross of tax due to reclassification has been recorded in the unconsolidated statement of comprehensive income.

These sukus were originally classified at amortised cost on January 01, 2024 upon adoption of IFRS 9. The above reclassification has no effect on the financial statements of the Bank except for the change mentioned above and in capital adequacy ratio which has been increased from 20.35% to 20.39% as on the date of reclassification (January 01, 2025).

10.2.2 Investments given as collateral

	2025		2024	
	Cost / Amortised Cost	Market value	Cost / Amortised Cost	Market value
Rupees in '000				
Federal Government Securities				
- Ijarah sukuk	<u>628,000,000</u>	<u>635,567,800</u>	<u>485,500,000</u>	<u>503,414,750</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

	Note	2025	2024
		Rupees in '000	
10.3 Particulars of credit loss allowance against investments			
Opening balance		344,866	2,632,709
Impact of adoption of IFRS 9 - reversal of provision held against shares		-	(2,562,068)
Impact of adoption of IFRS 9 - credit loss allowance		-	52,035
		-	(2,510,033)
(Reversals) / charge			
Credit loss allowance for the year		1,460	239,996
ECL reversals for the year (including cash recovery)		(27,543)	(17,806)
		(26,083)	222,190
Closing balance	10.4.2	318,783	344,866

During the year, Principal outstanding of Sitara Peroxide limited sukuk (previously classified in stage 3) has been fully recovered amounting to Rs. 13.91 million along with partial profit recovery amounting to Rs. 4.15 million. Remaining profit were waived in full and final settlements.

10.4 Particulars of credit loss allowance against debt securities

	2025		2024	
	Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
	Rupees in '000			
Domestic				
Performing - Stage 1	12,048,814	5,464	5,604,416	5,216
Under performing - Stage 2	-	-	-	-
Non-performing - Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	313,319	313,319	339,650	339,650
	313,319	313,319	339,650	339,650
	12,362,133	318,783	5,944,066	344,866

The debt securities amounting to Rs. 2,532,602 million and Rs. 8,802 million pertains to Government securities and Government guaranteed exposure respectively. The exposure is exempted for the calculation of ECL by the SBP.

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

10.4.1 Investments - exposure (debt securities)*

	2025				2024					
	Outstanding			Total	Outstanding			Performing	Non-performing	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3			
	(Rupees in '000)									
Opening balance	5,604,416	-	339,650	5,944,066	-	-	-	9,601,900	70,645	9,672,545
Implementation of IFRS 9	-	-	-	-	9,329,900	272,000	70,645	(9,601,900)	(70,645)	-
Impact of adoption of IFRS 9	-	-	-	-	-	-	-	-	-	-
Balance as at January 01 after adopting IFRS 9	5,604,416	-	339,650	5,944,066	9,329,900	272,000	70,645	-	-	9,672,545
Fresh disbursements	8,415,974	-	-	8,415,974	1,318,705	-	-	-	-	1,318,705
Amount derecognised / repaid	(1,987,490)	-	(26,331)	(2,013,821)	(5,012,790)	-	(2,995)	-	-	(5,015,785)
Transfer to stage 1	-	-	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	(272,000)	-	-	-	(272,000)
Transfer to stage 3	-	-	-	-	-	-	272,000	-	-	272,000
Net change during the year	-	-	-	-	-	-	-	-	-	-
	6,428,484	-	(26,331)	6,402,153	(3,694,085)	(272,000)	269,005	-	-	(3,697,080)
Amounts written off / charged off	-	-	-	-	-	-	-	-	-	-
Changes in risk parameters	-	-	-	-	-	-	-	-	-	-
Other changes	15,914	-	-	15,914	(31,399)	-	-	-	-	(31,399)
Closing balance	12,048,814	-	313,319	12,362,133	5,604,416	-	339,650	-	-	5,944,066

* Excluding Government and Government Guaranteed Exposures

10.4.2 Investment - Credit loss allowance

	2025				2024					
	Expected Credit Loss			Total	Expected Credit Loss			Specific	Total	
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3			
(Rupees in '000)										
Opening balance	5,216	-	339,650	344,866	-	-	-	2,632,709	2,632,709	
Implementation of IFRS 9	-	-	-	-	17,601	34,434	70,645	(70,645)	52,035	
Impact of adoption of IFRS 9	-	-	-	-	-	-	-	(2,562,064)	(2,562,064)	
Balance as at January 01 after adopting IFRS 9	5,216	-	339,650	344,866	17,601	34,434	70,645	-	122,680	
New Investments	1,798	-	-	1,798	2,337	-	-	-	2,337	
Investments derecognised / repaid	(863)	-	(26,331)	(27,194)	(2,267)	-	(2,995)	-	(5,262)	
Transfer to stage 1	-	-	-	-	-	-	-	-	-	
Transfer to stage 2	-	-	-	-	-	-	-	-	-	
Transfer to stage 3	-	-	-	-	-	(34,434)	34,434	-	-	
Net change during the year	-	-	-	-	-	-	-	-	-	
	935	-	(26,331)	(25,396)	70	(34,434)	31,439	-	(2,925)	
Amounts written off / charged off	-	-	-	-	-	-	-	-	-	
Changes in risk parameters	(689)	-	-	(689)	(9,320)	-	237,566	-	228,246	
Other changes	2	-	-	2	(3,135)	-	-	-	(3,135)	
Closing balance	5,464	-	313,319	318,783	5,216	-	339,650	-	344,866	

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

10.5 Quality of securities

Details regarding quality of securities held under "Hold to Collect and Sell" model are as follows:

	2025	2024
	Cost	
	Rupees in '000	
10.5.1 Federal Government Securities - Government guaranteed		
Ijarah Sukuks - VRR	1,558,890,254	1,197,612,762
Ijarah Sukuks - FRR	491,603,623	118,915,329
Ijarah Sukuks - Discounted	27,563,193	491,664
	<u>2,078,057,070</u>	<u>1,317,019,755</u>

10.5.2 Shares - Listed

Cement	2,482,617	1,359,104
Power generation and distribution	991,066	98,341
Oil and gas marketing companies	548,586	244,202
Oil and gas exploration companies	2,491,902	1,631,049
Fertilizers	156,856	446,350
Chemicals	122,163	122,163
Pharmaceuticals	295,596	295,596
Investment companies	433,245	-
Modarabas	49,000	115,390
Technology and communication	682,394	397,453
Paper and board	473,003	490,917
Textile (Composite)	387,360	387,360
Engineering	120,482	120,482
	<u>9,234,270</u>	<u>5,708,407</u>

10.5.3 Shares - Unlisted

	2025		2024	
	Cost	Fair value*	Cost	Fair value*
	Rupees in '000			
Sapphire Electric Company Limited	318,638	381,134	318,638	343,794
Daewoo Pakistan Express Bus Service Limited	-	-	253,240	253,240
Pakistan Corporate Restructuring Company Limited	-	-	32,801	20,793
	<u>318,638</u>	<u>381,134</u>	<u>604,679</u>	<u>617,827</u>

* The basis for determination of fair value has been disclosed in note 44.1 to these unconsolidated financial statements and fair value calculated is based on holding percentage.

10.5.4 Non Government Sukuks

	2025	2024
	Cost	
	Rupees in '000	
Listed		
- Government guaranteed	-	114,348,701
Unlisted		
- Government guaranteed	8,802,285	10,689,564
Unlisted		
- AA / AA+, AA, AA-	832,413	656,961
- A / A+, A, A-	407,508	1,190,748
- Unrated	313,319	67,650
	<u>1,553,240</u>	<u>1,915,359</u>
	<u>10,355,525</u>	<u>126,953,624</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

10.5.5	Foreign Securities Government Sukuks	2025		2024	
		Rating		Cost	
				Rupees in '000	
	Saudi Arabia	A	A	7,146,453	1,801,782
	Indonesia	Ba2	Ba2	2,823,191	1,392,795
				9,969,644	3,194,577
	Non Government Sukuk - Unlisted				
	- Aa3 / A			839,249	834,130
				839,249	834,130
	Equity security - Unlisted				
	Society for Worldwide Interbank Financial Telecommunication (SWIFT)*			10,389	10,389
				10,819,282	4,039,096

*The fair value of these shares is not considered to be materially different from its carrying amount.

10.6 Particulars relating to securities classified under "Hold to collect" model are as follows:

Federal Government Securities - Government guaranteed

Ijarah Sukuks - VRR	5,496,918	85,444,424
Ijarah Sukuks - FRR	58,752,255	256,227,912
Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	390,295,665	21,053,574
	454,544,838	362,725,910

The market value of securities classified as amortised cost as at December 31, 2025 amounted to Rs. 454,901 million (2024: Rs. 364,085 million).

10.7	Investment in subsidiaries	2025		2024	
		Cost	Breakup value*	Cost	Breakup value*
		Rupees in '000			
	Al Meezan Investment Management Limited	63,050	4,685,062	63,050	3,206,882
	Meezan Exchange Company (Private) Limited	1,000,000	1,031,436	1,000,000	1,033,856

* Based on latest available audited financial statements & based on holding percentage.

Notes to and Forming Part of the Unconsolidated Financial Statements

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	Note	2025	2024
11	ISLAMIC FINANCING AND RELATED ASSETS	Rupees in '000	
In Pakistan:			
Murabaha financing and related assets			
- Murabaha financing	11.1	9,630,861	5,552,574
- Financing under Islamic Export Refinance - Murabaha	11.1	102,104	303,924
- Financing against Islamic SME Asaan Finance	11.1	873,531	1,818,265
- Advances against Murabaha		16,392,877	22,450,689
- Murabaha inventory		4,872,271	1,484,181
- Advance against Islamic SME Asaan Finance		235,372	354,722
- Inventory under Islamic SME Asaan Finance		-	2,852
- Advance against Islamic Export Refinance - Murabaha		1,191,061	770,105
- Financing against Islamic Working Capital Finance	11.1	50,000	-
- Inventory under Islamic Export Refinance - Murabaha		9,900	-
		33,357,977	32,737,312
Running Musharakah financing			
- Running Musharakah financing		527,693,782	676,407,577
- Financing under Islamic Export Refinance - Running Musharakah		24,794,578	36,943,954
		552,488,360	713,351,531
Istisna financing and related assets			
- Istisna financing		45,401,451	24,178,898
- Advances against Istisna		147,494,496	75,741,840
- Istisna inventory		17,539,907	57,719,292
- Financing under Islamic Export Refinance - Istisna		406,730	419,234
- Advances under Islamic Export Refinance - Istisna		7,572,908	10,612,565
- Inventory under Islamic Export Refinance - Istisna		3,265,927	4,193,560
		221,681,419	172,865,389
Tijarah financing and related assets			
- Tijarah financing		5,697,698	4,876,050
- Tijarah inventory		20,681,640	14,434,733
- Financing under Islamic Export Refinance - Tijarah		1,072,026	1,086,970
- Inventory under Islamic SME Asaan Finance		190,261	311,241
- Inventory under Islamic Export Refinance - Tijarah		921,639	855,201
		28,563,264	21,564,195
Musawammah financing and related assets			
- Musawammah financing	11.2	28,413,174	23,777,208
- Financing under Islamic Export Refinance - Musawammah	11.2	313,810	669,459
- Financing under SBP's Islamic Financing Facility for Renewable Energy (IFRE) - Musawammah	11.2	453,478	428,575
- Financing against Islamic SME Asaan Finance	11.2	4,167	26,508
- Advances against Musawammah		14,634,779	12,317,484
- Advance against Islamic SME Asaan Finance		-	11,853
- Musawammah inventory		20,850,389	13,320,611
- Advances under Islamic Export Refinance - Musawammah		277,737	879,245
- Inventory under Islamic Export Refinance - Musawammah		-	28,000
		64,947,534	51,458,943
Salam financing and related assets			
- Salam financing		3,156,907	1,569,320
- Advances against Salam		37,490,065	25,511,879
- Salam inventory		3,581,976	2,625,049
		44,228,948	29,706,248
Financing against bills			
- Financing against bills - Salam		1,027,208	1,196,715
- Advance against bills - Salam		1,738	1,738
		1,028,946	1,198,453
- Bai Muajjal financing	11.3	76,319,397	43,662,372
Ijarah financing and related assets			
- Net investment in Ijarah		48,147	48,758
- Net book value of assets / investment in Ijarah under IFAS 2		98,978,088	61,624,855
	11.4	99,026,235	61,673,613
- Advances against Ijarah		14,316,223	7,857,788
		113,342,458	69,531,401

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For The Year Ended December 31, 2025

	Note	2025	2024
		Rupees in '000	
Diminishing Musharakah financing and related assets			
- Diminishing Musharakah financing		403,873,112	219,903,211
- Diminishing Musharakah financing - housing		18,441,541	16,873,015
- Diminishing Musharakah financing - SBP's Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)		1,023,127	399,281
- Diminishing Musharakah financing - SBP's Islamic Financing Facility for Renewable Energy (IFRE)		13,866,661	15,153,734
- Diminishing Musharakah financing - SBP's Islamic Refinance Facility for Combating COVID - 19 (IRFCC)		13,836	107,606
- Diminishing Musharakah financing - SBP's Islamic SME Asaan Finance (I-SAAF) Scheme		3,335,175	3,190,659
- Diminishing Musharakah financing - SBP's Islamic Long Term Financing Facility (ILTFF) for Plant & Machinery		16,353,397	16,898,044
- Diminishing Musharakah financing - SBP's Islamic Temporary Economic Refinance Facility (ITERF)		11,064,358	12,790,555
- Diminishing Musharakah financing - under SBP's Islamic Refinance Facility for Modernization of SMEs (IRFMS)		413,031	190,903
- Diminishing Musharakah financing - SBP's Islamic Refinance and Credit Guarantee Scheme for Women Entrepreneurs (IRCGSWE)		33,125	10,327
- Advances against Diminishing Musharakah		21,112,666	55,505,976
- Advances against Diminishing Musharakah under SBP's IFFSAP		158,000	693,503
- Advances against Diminishing Musharakah under SBP's IFRE		1,327,913	2,228,906
- Advances against Diminishing Musharakah under SBP's IRFCC		36,343	109,029
- Advances against Diminishing Musharakah under SBP's ISAAF		240,293	560,712
- Advances against Diminishing Musharakah under SBP's Islamic Refinance Facility for Modernization of SMEs (IRFMS)		-	14,903
- Advances against Diminishing Musharakah under SBP's ITERF		427,230	427,647
- Advances against Diminishing Musharakah under SBP's IRCGSWE		278	5,000
- Advances against Diminishing Musharakah under SBP's ILTFF		2,955,795	3,151,948
		494,675,881	348,214,959
- Musharakah financing		1,701,188	1,300,000
- Advances against Wakalah Tul Istithmar		-	30,602,133
- Advance against Service Ijarah		42,113,067	30,508,677
- Qard financing under SBP's IRFCC		5,802	114,803
- Labbaik (Qard for Hajj and Umrah)		742	5,547
- Staff financing (including under SBP's IFRE)	11.5	10,601,312	8,321,137
- Other financing		1,210,512	1,219,218
Gross Islamic financing and related assets	11.6	1,686,266,807	1,556,362,318
Less: Credit loss allowance against Islamic financing and related assets			
Stage 1	11.8 & 11.8.6	(2,444,933)	(2,609,888)
Stage 2	& 11.8.7	(3,012,754)	(1,511,416)
Less: Credit loss allowance - Stage 3	11.7 & 11.8 & 11.8.6 & 11.8.7	(26,274,322)	(23,885,078)
Less: Provision against non-performing Islamic financing and related assets - General	11.8 & 11.8.3 & 11.8.6	(13,600,000)	(13,600,000)
Islamic financing and related assets - net of credit loss allowance		1,640,934,798	1,514,755,936

For The Year Ended December 31, 2025

11.4	Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs. 58,911 million (2024: Rs. 51,119 million).
11.5	This includes Rs. 1,127 million (2024: Rs. 973 million) representing profit free financing to staff advanced under the Bank's Human Resource Policies.

11.7 Islamic financing and related assets include Rs 31,018 million (2024: Rs 25,243 million) which have been placed under non-performing / stage 3 status as detailed below:

Category of classification in stage 3

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

11.8 Particulars of credit loss allowance against Islamic financing and related assets:

Note		2025					2024					
		Expected credit loss			General	Total	Expected credit loss			Specific	General	Total
		Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
(Rupees in '000)												
Opening balance		2,609,888	1,511,416	23,885,078	13,600,000	41,606,382	-	-	-	16,107,097	14,247,354	30,354,451
Implementation of IFRS 9		-	-	-	-	-	-	-	16,107,097	(16,107,097)	-	-
Impact of adoption of IFRS 9 - credit loss allowance		-	-	-	-	-	2,419,726	1,034,559	550,553	-	-	4,004,838
Impact of adoption of IFRS 9 - reversal of provision		-	-	-	-	-	-	-	-	-	(647,354)	(647,354)
		-	-	-	-	-	2,419,726	1,034,559	550,553	-	(647,354)	3,357,484
Exchange adjustment for the year		-	-	3,234	-	3,234	-	-	(6,806)	-	-	(6,806)
Charge for the year		1,072,025	2,453,008	5,553,072	-	9,078,105	1,114,242	1,023,586	10,070,673	-	-	12,208,501
Less: Reversals for the year		(1,236,980)	(951,670)	(3,167,062)	-	(5,355,712)	(924,080)	(546,729)	(1,904,128)	-	-	(3,374,937)
		(164,955)	1,501,338	2,386,010	-	3,722,393	190,162	476,857	8,166,545	-	-	8,833,564
Transfer to other liabilities		-	-	-	-	-	-	-	(749,988)	-	-	(749,988)
Amount written off		-	-	-	-	-	-	-	(182,323)	-	-	(182,323)
Closing balance		2,444,933	3,012,754	26,274,322	13,600,000	45,332,009	2,609,888	1,511,416	23,885,078	-	13,600,000	41,606,382

11.8.1 It includes reversal on account of settlement of exposure amounting to Rs. 244 million (2024: Rs. 590 million) against acquisition of non-banking asset amounting to Rs. 281 million (2024: Rs. 471 million).

11.8.2 Particulars of credit loss allowance / provision against Islamic financing and related assets:

	2025					2024					
	Expected credit loss			General	Total	Expected credit loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
	(Rupees in '000)										
In local currency	2,315,287	3,000,745	25,698,418	13,600,000	44,614,450	2,517,649	1,501,322	23,312,408	-	13,600,000	40,931,379
In foreign currencies	129,646	12,009	575,904	-	717,559	92,239	10,094	572,670	-	-	675,003
	2,444,933	3,012,754	26,274,322	13,600,000	45,332,009	2,609,888	1,511,416	23,885,078	-	13,600,000	41,606,382

11.8.3 In addition, the Bank has also maintained a general provision of Rs. 13,600 million (December 31, 2024: Rs. 13,600 million) against financing made on prudent basis, in view of prevailing economic conditions. This general provision is in addition to the requirements of IFRS 9. This general provision can be maintained till December 31, 2026 under BPRD circular No. 1 of 2025 dated January 22, 2025.

11.8.4 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against certain non-performing financing under SBP prudential regulations for calculation of provision under such regulations. The accumulated benefit availed amounts to Rs. 408.38 million (2024: Rs. 438.45 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 191.94 million (2024: Rs. 201.69 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

11.8.5 Islamic Financing and related assets - Exposure

	2025				2024						
	Outstanding			Total	Outstanding			Performing	Non-performing	Total	
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3				
(Rupees in '000)											
Opening balance	1,469,603,905	61,515,240	25,243,173	1,556,362,318	-	-	-	975,088,266	16,939,197	992,027,463	
Implementation of IFRS 9	-	-	-	-	943,022,366	31,890,123	17,114,974	(975,088,266)	(16,939,197)	-	
Impact of adoption of IFRS 9	-	-	-	-	-	-	-	-	-	-	
Balance as at January 01 after adopting IFRS 9	1,469,603,905	61,515,240	25,243,173	1,556,362,318	943,022,366	31,890,123	17,114,974	-	-	992,027,463	
Fresh disbursements	617,699,636	68,221,476	2,941,650	688,862,762	763,629,115	10,459,658	13,067	-	-	774,101,840	
Amount derecognised / repaid	(543,019,034)	(10,757,994)	(5,184,479)	(558,961,507)	(200,231,864)	(6,737,985)	(1,858,019)	-	-	(208,827,868)	
Transfer to stage 1	26,690,285	(26,679,976)	(10,309)	-	4,090,837	(4,088,944)	(1,893)	-	-	-	
Transfer to stage 2	(73,096,184)	73,227,668	(131,484)	-	(31,597,387)	31,600,838	(3,451)	-	-	-	
Transfer to stage 3	(1,760,347)	(6,395,991)	8,156,338	-	(9,309,162)	(1,608,450)	10,917,612	-	-	-	
Net change during the year	-	-	-	-	-	-	-	-	-	-	
	26,514,356	97,615,183	5,771,716	129,901,255	526,581,539	29,625,117	9,067,316	-	-	565,273,972	
Transferred to other liabilities	-	-	-	-	-	-	(749,988)	-	-	(749,988)	
Amounts written off / charged off	-	-	-	-	-	-	(182,323)	-	-	(182,323)	
Changes in risk parameters	-	-	-	-	-	-	-	-	-	-	
Other changes	-	-	3,234	3,234	-	-	(6,806)	-	-	(6,806)	
Closing balance	1,496,118,261	159,130,423	31,018,123	1,686,266,807	1,469,603,905	61,515,240	25,243,173	-	-	1,556,362,318	

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

11.8.5.1 This includes government guaranteed exposure amounting to Rs. 233,324.88 million (2024: Rs. 51,462.49 million).

11.8.6 Islamic financing and related assets - particulars of credit loss allowance

	2025				2024						
	Expected credit loss			General	Total	Expected credit loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
(Rupees in '000)											
Opening balance	2,609,888	1,511,416	23,885,078	13,600,000	41,606,382	-	-	-	16,107,097	14,247,354	30,354,451
Implementation of IFRS 9			-	-	-	-	-	16,107,097	(16,107,097)		
Impact of adoption of IFRS 9	-	-	-	-	-	2,419,726	1,034,559	550,553	-	(647,354)	3,357,484
Balance as at January 01 after adopting IFRS 9	2,609,888	1,511,416	23,885,078	13,600,000	41,606,382	2,419,726	1,034,559	16,657,650	-	13,600,000	33,711,935
Fresh disbursements	863,624	28,766	2,081,754	-	2,974,144	1,421,726	20,799	9,760	-	-	1,452,285
Amount derecognised / repaid	(470,594)	(58,869)	(2,951,738)	-	(3,481,201)	(407,019)	(156,162)	(1,977,819)	-	-	(2,541,000)
Transfer to stage 1	492,545	(492,545)	-	-	-	19,553	(19,542)	(11)	-	-	-
Transfer to stage 2	(290,431)	417,149	(126,718)	-	-	(515,067)	515,092	(25)	-	-	-
Transfer to stage 3	(34,696)	(39,242)	73,938	-	-	(73,067)	(50,983)	124,050	-	-	-
Reversal for the year	-	-	-	-	-	-	-	-	-	-	-
	560,448	(144,741)	(922,764)	-	(507,057)	446,126	309,204	(1,844,045)	-	-	(1,088,715)
Transfer to Other liability	-	-	-	-	-	-	-	(749,988)	-	-	(749,988)
Amounts written off / charged off	-	-	-	-	-	-	-	(182,323)	-	-	(182,323)
Changes in risk parameters	(725,403)	1,646,079	3,308,774	-	4,229,450	(255,964)	167,653	10,010,590	-	-	9,922,279
Other changes	-	-	3,234	-	3,234	-	-	(6,806)	-	-	(6,806)
Closing balance	2,444,933	3,012,754	26,274,322	13,600,000	45,332,009	2,609,888	1,511,416	23,885,078	-	13,600,000	41,606,382

11.8.7 Category of classification

		2025		2024	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
Rupees in '000					
Domestic					
Performing*	Stage 1	1,496,118,261	2,444,933	1,469,603,905	2,609,888
Underperforming*	Stage 2	159,130,423	3,012,754	61,515,240	1,511,416
Non-Performing	Stage 3				
Other Assets Especially Mentioned		3,888	1,672	388	176
Substandard		6,517,309	3,596,876	962,362	763,303
Doubtful		7,521,012	5,969,140	4,765,274	4,001,247
Loss		16,975,914	16,706,634	19,515,149	19,120,352
		31,018,123	26,274,322	25,243,173	23,885,078
Total		1,686,266,807	31,732,009	1,556,362,318	28,006,382

* This includes government guaranteed exposure amounting to Rs. 233,324.88 million (2024: Rs. 51,462.49 million).

Notes to and Forming Part of the Unconsolidated Financial Statements

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	Note	2025	2024
11.9 Particulars of write offs		Rupees in '000	
Against provisions	11.8	-	182,323
Directly charged to unconsolidated profit and loss account		-	-
		-	182,323
Write offs Rs. 500,000 and above - Domestic		-	182,323
Write offs below Rs. 500,000		-	-
		-	182,323

11.9.1 Details of financing written off of Rs. 500,000 and above

In term 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 (other than those against investments) of rupees five hundred thousand or above allowed to any person(s) during the year ended December 31, 2025 is given in Annexure I. Financing written off in accordance with the policy do not in any way prejudice the Bank's right of recovery from the customer.

11.10 Details of financing to Women, Women-owned and Managed Enterprise

	2025	2024
11.10.1 Outstanding financing to Women, Women-owned and Managed Enterprise	Rupees in '000	
Women	7,655,197	4,230,246
Women Owned and Managed Enterprise	4,186,307	5,652,020
	11,841,504	9,882,266

11.10.2 Gross Financing Disbursed to Women Owned and Women Managed Enterprise

Women	4,612,459	1,150,295
Women Owned and Managed Enterprise	6,806,455	14,469,538
	11,418,914	15,619,833

11.11 Details of charged off financing

In term of BPRD Circular No. 02 of 2024, the Statement in respect of charged off financing is given as under:

	2025	2024	2025	2024
	Count		Rupees in '000	
Opening Balance	-	-	-	-
Charge off during the year	-	-	-	-
Sub-total	-	-	-	-
Recoveries during the year	-	-	-	-
Amount written off	-	-	-	-
Closing balance	-	-	-	-

11.11.1 Financing charged off do not in any way prejudice the Bank's right of recovery from the customer.

Notes to and Forming Part of the Unconsolidated Financial Statements

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12	PROPERTY AND EQUIPMENT	Note	2025	2024					
			Rupees in '000						
	Capital work-in-progress	12.1	5,999,282	12,577,705					
	Property and equipment	12.2	44,338,969	34,570,029					
			50,338,251	47,147,734					
	Less: Provision against capital work-in-progress		(300,000)	(300,000)					
			50,038,251	46,847,734					
12.1	Capital work-in-progress								
	Advances to suppliers and contractors for:								
	- civil works		3,293,823	7,967,486					
	- computer hardware		713,539	1,074,750					
	- purchase of vehicles		273,940	731,613					
	- office machines		1,373,279	2,045,000					
	- furniture and fixtures		344,701	758,856					
			5,999,282	12,577,705					
12.2	Property and equipment								
			2025						
			Leasehold Land	Buildings on leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipments	Vehicles	Total
			Rupees in '000						
	At January 1, 2025								
	Cost		8,386,900	5,237,017	13,023,905	2,019,491	22,315,528	7,946,185	58,929,026
	Accumulated depreciation		-	1,421,675	7,266,812	942,332	11,929,522	2,798,656	24,358,997
	Net book value		8,386,900	3,815,342	5,757,093	1,077,159	10,386,006	5,147,529	34,570,029
	Year ended December 31, 2025								
	Opening net book value		8,386,900	3,815,342	5,757,093	1,077,159	10,386,006	5,147,529	34,570,029
	Additions		708,080	5,241,148	2,459,781	1,120,846	4,831,490	2,805,259	17,166,604
	Transfer from non-banking assets		-	280,625	-	-	-	-	280,625
	Disposals		-	-	(2,088)	(646)	(7,916)	(505,811)	(516,461)
	Depreciation charge (note 33)		-	(402,165)	(1,115,283)	(237,094)	(3,678,592)	(1,728,694)	(7,161,828)
	Closing net book value		9,094,980	8,934,950	7,099,503	1,960,265	11,530,988	5,718,283	44,338,969
	At December 31, 2025								
	Cost		9,094,980	10,758,790	15,458,675	3,132,795	26,618,601	9,476,071	74,539,912
	Accumulated depreciation		-	1,823,840	8,359,172	1,172,530	15,087,613	3,757,788	30,200,943
	Net book value		9,094,980	8,934,950	7,099,503	1,960,265	11,530,988	5,718,283	44,338,969
	Rate of depreciation (percentage)		-	5	10	10	10 and 20	20	

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	2024						
	Leasehold Land	Buildings on leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipments	Vehicles	Total
	Rupees in '000						
At January 1, 2024							
Cost	7,588,135	4,695,377	12,025,075	1,704,603	16,898,917	6,301,319	49,213,426
Accumulated depreciation	-	1,170,775	6,375,398	792,754	8,972,971	2,005,043	19,316,941
Net book value	7,588,135	3,524,602	5,649,677	911,849	7,925,946	4,296,276	29,896,485
Year ended December 31, 2024							
Opening net book value	7,588,135	3,524,602	5,649,677	911,849	7,925,946	4,296,276	29,896,485
Additions	798,765	541,640	1,154,752	327,515	5,577,809	2,425,616	10,826,097
Transfer from non-banking assets	-	-	-	-	-	-	-
Disposals	-	-	(21,117)	(693)	(6,321)	(194,866)	(222,997)
Depreciation charge (note 33)	-	(250,900)	(1,026,219)	(161,512)	(3,111,428)	(1,379,497)	(5,929,556)
Closing net book value	8,386,900	3,815,342	5,757,093	1,077,159	10,386,006	5,147,529	34,570,029
At December 31, 2024							
Cost	8,386,900	5,237,017	13,023,905	2,019,491	22,315,528	7,946,185	58,929,026
Accumulated depreciation	-	1,421,675	7,266,812	942,332	11,929,522	2,798,656	24,358,997
Net book value	8,386,900	3,815,342	5,757,093	1,077,159	10,386,006	5,147,529	34,570,029
Rate of depreciation (percentage)	-	5	10	10	10 and 20	20	

12.2.1 The cost of fully depreciated assets that are still in the Bank's use are as follows:

	2025	2024
	Rupees in '000	
Buildings on leasehold land	42,881	42,881
Leasehold improvements	4,089,887	2,784,479
Furniture and fixtures	453,815	374,017
Electrical, office and computer equipment	6,669,951	5,935,927
Vehicles	290,470	271,346
	11,547,004	9,408,650

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

12.2.2 Details of disposal of property and equipment to related parties or other persons having net book value of Rs. 500,000 or above are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000						
Vehicles						
Toyota Fortuner	11,358	7,761	3,597	6,126	MBL Staff Policy	Syed Iftikhar UI Haq (Executive, Ex-Employee)
KIA Carnival	14,019	4,907	9,112	11,287	MBL Staff Policy	Syed Muhammad Asad Alvi (Executive, Ex-Employee)
KIA Sorento	7,771	5,699	2,072	4,033	MBL Staff Policy	Mr. Abid Hussain Abid (Executive, Employee)
Honda Civic	3,937	2,690	1,247	2,045	MBL Staff Policy	Ms. Shazia Khurram (Executive, Employee)
Honda Civic	3,937	2,756	1,181	2,055	MBL Staff Policy	Mr. Masroor Mohsin (Executive, Employee)
Honda Civic	3,868	2,708	1,160	1,980	MBL Staff Policy	Mr. Shueb Muhammad Shaikh (Executive, Employee)
KIA Sportage	4,876	3,576	1,300	2,572	MBL Staff Policy	Mr. Ali Imran Khan (Executive, Employee)
KIA Sportage	4,410	2,940	1,470	2,345	MBL Staff Policy	Mr. Mashkoor A.G. Khan (Executive, Employee)
KIA Sportage	4,042	2,627	1,415	2,220	MBL Staff Policy	Mr. Muhammad Yasar Abaidullah (Executive, Employee)
Toyota Corolla	4,313	3,091	1,222	2,194	MBL Staff Policy	Syed Iftikhar UI Haq (Executive, Ex-Employee)
Toyota Corolla	2,153	323	1,830	1,981	MBL Staff Policy	Syed Muhammad Asad Alvi (Executive, Ex-Employee)
Honda City	3,863	2,382	1,481	2,221	MBL Staff Policy	Mr. Munawar Bilal (Executive, Employee)
Honda City	3,290	2,029	1,261	1,906	MBL Staff Policy	Mr. Mirza Aamir Iqbal (Executive, Employee)
Honda City	3,099	2,066	1,033	1,648	MBL Staff Policy	Mr. Ahsan Sarfraz (Executive, Employee)
Honda City	3,005	1,803	1,202	1,741	MBL Staff Policy	Mr. Salman Ahmed Siddiqi (Executive, Employee)
Honda City	3,003	1,952	1,051	1,689	MBL Staff Policy	Mr. Nadeem UI Haque (Executive, Ex-Employee)
Honda City	2,778	1,852	926	1,553	MBL Staff Policy	Mr. Kamran Malik (Executive, Employee)
Honda City	2,711	2,169	542	1,218	MBL Staff Policy	Syed Salman Nadeem (Executive, Employee)
Honda City	2,681	2,100	581	1,221	MBL Staff Policy	Mr. Munib Badar (Executive, Employee)
Honda City	2,666	1,733	933	1,477	MBL Staff Policy	Syed Salman Zaidi (Executive, Employee)
Honda City	2,655	1,682	973	1,534	MBL Staff Policy	Mr. Imran Khan (Executive, Employee)
Honda City	2,496	1,997	499	1,108	MBL Staff Policy	Mr. Khalid Mahmood (Executive, Employee)
Honda City	2,496	1,997	499	1,104	MBL Staff Policy	Mr. Mirza Shahzad Naseem (Executive, Employee)
Toyota Yaris	3,378	2,759	619	1,957	MBL Staff Policy	Mr. Jamal Nasir Arain (Executive, Employee)
Toyota Yaris	3,306	2,038	1,268	1,915	MBL Staff Policy	Mr. Nabeel Ur Rehman (Executive, Ex-Employee)
Toyota Yaris	2,975	1,884	1,091	1,682	MBL Staff Policy	Mr. Muhammad Saleem (Executive, Employee)
Toyota Yaris	2,974	2,032	942	1,520	MBL Staff Policy	Mr. Babar Ghorri (Executive, Employee)
Toyota Yaris	2,670	2,047	623	1,274	MBL Staff Policy	Mr. Muhammad Faisal Akram (Executive, Employee)
Toyota Yaris	2,613	1,959	654	1,254	MBL Staff Policy	Mr. Muhammad Sabir Khilji (Executive, Employee)
Changan Alsvin	2,940	1,911	1,029	1,653	MBL Staff Policy	Mr. Jibran Samad (Executive, Employee)
Hyundai Elentra	6,416	3,208	3,208	4,848	Negotiation	Mr. Usama Qamar
Hyundai Tuscon	8,906	2,375	6,531	7,037	Negotiation	Syed Riaz Ahmed
KIA Sportage	8,951	2,536	6,415	7,052	Negotiation	Mr. Samina Saeed
KIA Sportage	6,967	2,671	4,296	5,500	Negotiation	Mr. Omair Shuja
Chery Tiggo	6,628	3,093	3,535	4,550	Negotiation	Mr. Suneel Raja
Toyota Corolla	7,055	3,292	3,763	4,863	Negotiation	Mr. Khurram Imtiaz
Honda City	6,075	2,329	3,746	4,445	Negotiation	Mr. Mazhar Ali
Honda City	5,088	1,950	3,138	3,900	Negotiation	Mr. Muhammad Talha
Honda City	5,009	1,753	3,256	3,783	Negotiation	Mr. Faheem Ahmed Chauhan
Honda City	4,988	1,413	3,575	3,910	Negotiation	Mr. Kashif Zamir
Honda City	4,930	2,054	2,876	3,370	Negotiation	Mr. Hafiz Muhammad Zaman
Honda City	4,889	1,874	3,015	3,512	Negotiation	Mr. Muhammad Ejaz
Honda City	4,887	1,222	3,665	4,013	Negotiation	Mr. Imran
Honda City	4,855	1,699	3,156	3,407	Negotiation	Syed Riaz Ahmed
Honda City	4,788	1,756	3,032	3,526	Negotiation	Mr. Karachi Wheels
Honda City	3,314	1,657	1,657	3,523	Negotiation	Mr. M. Mohsin Mumtaz
Honda City	3,179	1,590	1,589	3,362	Negotiation	M/s Tariq Mehmmod Autos
Honda City	3,169	1,531	1,638	3,330	Negotiation	M/s United Transport Services
Honda City	2,778	1,573	1,205	3,510	Negotiation	Mr. Munawar Hussain
Honda City	2,761	1,427	1,334	3,600	Negotiation	Mr. Wasim Mirza
Honda City	2,761	1,519	1,242	3,314	Negotiation	Syed Jahanzaib Ali
Honda City	2,759	1,885	874	3,389	Negotiation	Mr. Imran
Honda City	2,678	2,053	625	3,438	Negotiation	Mr. Haris Fareed
Honda City	2,668	1,956	712	3,275	Negotiation	Mr. Zeeshan Mansha
Honda City	2,617	1,876	741	3,089	Negotiation	Mr. Imran
Balance carried forward	239,399	127,762	111,637	170,059		

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000						
Vehicles						
Balance brought forward	239,399	127,762	111,637	170,059		
Honda City	2,485	1,947	538	3,125	Negotiation	Mr. Usama Qamar
Honda City	2,485	1,905	580	3,260	Negotiation	Mr. Naeem Amjad
Toyota Yaris	5,313	1,771	3,542	4,030	Negotiation	Mr. Muhammad Fahad Aslam
Toyota Yaris	5,158	2,149	3,009	3,931	Negotiation	Mr. Ali Murtaza Tariq
Toyota Yaris	5,158	2,235	2,923	3,915	Negotiation	Mr. Ali Murtaza Tariq
Toyota Yaris	5,126	1,538	3,588	3,863	Negotiation	Mr. Faheem Ahmed Chauhan
Toyota Yaris	5,108	2,214	2,894	3,829	Negotiation	Mr. Wasim Mirza
Toyota Yaris	5,098	1,784	3,314	3,758	Negotiation	Mr. Karachi Wheels
Toyota Yaris	5,098	2,294	2,804	3,865	Negotiation	Mr. Muhammad Fahad Aslam
Toyota Yaris	5,098	1,784	3,314	3,958	Negotiation	Mr. Wasim Mirza
Toyota Yaris	4,954	1,817	3,137	3,661	Negotiation	Mr. Waqas Bashir
Toyota Yaris	4,946	1,484	3,462	3,821	Negotiation	M/s Tariq Mehmmod Autos
Toyota Yaris	4,944	1,730	3,214	3,669	Negotiation	Mr. Mustafa Kamran
Toyota Yaris	4,944	1,730	3,214	3,583	Negotiation	Mr. M. Mohsin Mumtaz
Toyota Yaris	4,936	1,481	3,455	3,658	Negotiation	Mr. Ziyad Tariq
Toyota Yaris	4,886	1,303	3,583	3,800	Negotiation	Mr. Sheeraz Khan
Toyota Yaris	4,883	1,628	3,255	3,573	Negotiation	M/s Amin Motors
Toyota Yaris	4,873	1,949	2,924	3,799	Negotiation	Mr. Imran
Toyota Yaris	4,873	1,381	3,492	3,673	Negotiation	M/s Amin Motors
Toyota Yaris	4,837	1,290	3,547	3,758	Negotiation	Mr. Ziyad Tariq
Toyota Yaris	4,832	1,369	3,463	3,705	Negotiation	Mr. Farhan Munir
Toyota Yaris	4,830	1,288	3,542	3,791	Negotiation	Mr. Waqas Bashir
Toyota Yaris	4,830	1,529	3,301	3,973	Negotiation	Mr. Khurram Imtiaz
Toyota Yaris	4,830	1,529	3,301	3,973	Negotiation	Mr. Khurram Imtiaz
Toyota Yaris	4,830	1,449	3,381	3,973	Negotiation	Mr. Khurram Imtiaz
Toyota Yaris	4,772	1,591	3,181	3,875	Negotiation	Mr. Omair Shuja
Toyota Yaris	4,772	1,511	3,261	3,875	Negotiation	Mr. Omair Shuja
Toyota Yaris	4,772	1,431	3,341	3,914	Negotiation	M/s Toyota Creek Motors
Toyota Yaris	4,772	1,511	3,261	3,878	Negotiation	Mr. Imran Saeed
Toyota Yaris	4,771	1,670	3,101	3,701	Negotiation	Mr. Wasim Mirza
Toyota Yaris	4,771	1,670	3,101	3,741	Negotiation	M/s Toyota Creek Motors
Toyota Yaris	4,771	1,670	3,101	3,741	Negotiation	M/s Toyota Creek Motors
Toyota Yaris	4,766	1,192	3,574	3,742	Negotiation	Mr. Farooq Hussain
Toyota Yaris	4,702	1,097	3,605	3,929	Negotiation	Mr. Imran
Toyota Yaris	4,095	1,843	2,252	3,857	Negotiation	Mr. Malik Awais
Toyota Yaris	2,982	1,491	1,491	3,589	Negotiation	Mr. Imran Saeed
Toyota Yaris	2,926	1,999	927	3,511	Negotiation	Mr. Omair Shuja
Toyota Yaris	2,611	1,915	696	3,067	Negotiation	Mr. Muhammad Ejaz
Toyota Yaris	2,610	1,914	696	3,106	Negotiation	Mr. Wamiq Ahmed
Changan Alsvin	3,239	1,402	1,837	3,146	Negotiation	Mr. Naveed Iqbal
Changan Alsvin	3,159	1,313	1,846	3,110	Negotiation	Mr. Nouman Afzal
Changan Alsvin	2,940	1,519	1,421	2,825	Negotiation	Mr. Muhammad Fahad Aslam
Changan Alsvin	2,940	1,519	1,421	2,970	Negotiation	Mr. Muhammad Fahad Aslam
Changan Alsvin	2,787	1,300	1,487	2,212	Negotiation	M/s Amin Motors
Changan Alsvin	2,780	1,204	1,576	2,683	Negotiation	Mr. Nouman Afzal
Changan Alsvin	2,780	1,204	1,576	2,738	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,204	1,576	2,706	Negotiation	Mr. Waqas Bashir
Changan Alsvin	2,780	1,158	1,622	2,813	Negotiation	Mr. Muhammad Arshad
Changan Alsvin	2,780	1,203	1,577	2,727	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,203	1,577	2,741	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,203	1,577	2,719	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,575	1,205	2,757	Negotiation	Syed Salman Ali Gillani
Changan Alsvin	2,780	1,204	1,576	2,702	Negotiation	Mr. Waqas Bashir
Changan Alsvin	2,780	1,158	1,622	2,746	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,390	1,390	2,585	Negotiation	Mr. Sarmad Zameer Khan
Balance carried forward	462,492	213,604	248,888	359,709		

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000						
Vehicles						
Balance brought forward	462,492	213,604	248,888	359,709		
Changan Alsvin	2,779	1,297	1,482	2,578	Negotiation	Mr. Mohsin Ilyas
Changan Alsvin	2,502	1,418	1,084	2,511	Negotiation	Mr. Hafiz Muhammad Zaman
Changan Alsvin	2,489	1,618	871	2,610	Negotiation	Mr. Muhammad Fahad Aslam
Changan Alsvin	2,480	1,281	1,199	2,516	Negotiation	Syed Faseeh
Changan Alsvin	2,480	1,240	1,240	2,123	Negotiation	Syed Faseeh
Changan Alsvin	2,480	1,240	1,240	2,139	Negotiation	Mr. Zaid
Changan Alsvin	2,474	1,484	990	2,654	Negotiation	Mr. Muhammad Ahsan Raza
Changan Alsvin	2,473	1,401	1,072	2,566	Negotiation	Mr. Hasham Ali Mubeen
Changan Alsvin	2,409	1,285	1,124	2,731	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,409	1,606	803	2,386	Negotiation	Syed Jahanzaib Ali
Suzuki Cultus	4,608	2,150	2,458	3,476	Negotiation	Mr. Omair Shuja
Suzuki Cultus	4,419	1,473	2,946	3,286	Negotiation	Mr. Usama Qammar
Suzuki Cultus	4,419	1,473	2,946	3,228	Negotiation	Mr. Usama Qammar
Suzuki Cultus	4,419	1,694	2,725	3,141	Negotiation	Mr. Sarmad Zameer Khan
Suzuki Cultus	4,419	1,620	2,799	3,333	Negotiation	Syed Danish Zaman
Suzuki Cultus	4,419	1,252	3,167	3,417	Negotiation	Mr. Sajeeel Khan
Suzuki Cultus	4,415	1,398	3,017	3,338	Negotiation	Mr. Ammad Ali
Suzuki Cultus	4,402	1,247	3,155	3,425	Negotiation	Mr. Muhammad Asad Sarfaraz
Suzuki Cultus	4,402	1,688	2,714	2,890	Negotiation	Mr. Wasim Mirza
Suzuki Cultus	4,402	1,688	2,714	3,289	Negotiation	Mr. Imran
Suzuki Cultus	2,048	1,024	1,024	2,731	Negotiation	Mr. Waqas Bashir
Suzuki Cultus	1,797	958	839	2,616	Negotiation	Mr. Usama Qamar
Suzuki Cultus	1,775	1,184	591	2,563	Negotiation	M/s Amin Motors
Suzuki Cultus	1,775	1,184	591	2,749	Negotiation	Mr. Imran
Suzuki Cultus	1,664	1,054	610	2,490	Negotiation	M/s Tariq Mehmmod Autos
Suzuki Cultus	1,664	1,080	584	2,412	Negotiation	Mr. Hassan Ali
KIA Picanto	3,968	1,521	2,447	2,690	Negotiation	Mr. Muhammad Fahad Aslam
Kia Picanto	3,884	1,360	2,524	2,671	Negotiation	Mr. Sarmad Zameer Khan
Kia Picanto	3,876	1,357	2,519	2,778	Negotiation	Mr. Mohammad Mohsin Mumtaz
KIA Picanto	3,853	1,605	2,248	2,687	Negotiation	M/s Amin Motors
KIA Picanto	3,847	1,603	2,244	2,687	Negotiation	M/s Amin Motors
KIA Picanto	3,847	1,603	2,244	2,620	Negotiation	Mr. Muhammad Fahad Aslam
Kia Picanto	3,822	1,401	2,421	2,642	Negotiation	M/s Amin Motors
Kia Picanto	3,822	1,401	2,421	2,775	Negotiation	Mr. Wasim Mirza
Kia Picanto	3,822	1,401	2,421	2,653	Negotiation	M/s Amin Motors
Kia Picanto	3,817	1,400	2,417	2,710	Negotiation	Mr. Muhammad Talha
KIA Picanto	3,700	1,418	2,282	2,589	Negotiation	Mr. Adeel Ahmed Hussaini
KIA Picanto	3,699	1,664	2,035	2,712	Negotiation	Mr. Usama Qamar
KIA Picanto	3,697	1,232	2,465	2,608	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,697	1,232	2,465	2,726	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,697	1,232	2,465	2,717	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,697	1,294	2,403	2,665	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,697	1,232	2,465	2,712	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,697	1,294	2,403	2,684	Negotiation	Mr. Usama Qamar
KIA Picanto	3,697	1,355	2,342	2,683	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,696	1,109	2,587	2,661	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,695	1,417	2,278	2,686	Negotiation	Mr. Sarmad Zameer Khan
KIA Picanto	3,695	1,725	1,970	2,689	Negotiation	Syed Danish Zaman
KIA Picanto	3,693	1,231	2,462	2,631	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,693	1,231	2,462	2,681	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,692	1,169	2,523	2,681	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,692	1,169	2,523	2,641	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,692	1,292	2,400	2,718	Negotiation	Mr. Adeel Hameed
KIA Picanto	3,692	1,169	2,523	2,628	Negotiation	Mr. Usama Qamar
KIA Picanto	3,691	1,661	2,030	2,444	Negotiation	Mr. Usama Qamar
KIA Picanto	3,690	1,291	2,399	2,710	Negotiation	Mr. M. Mutahir Munir
KIA Picanto	3,690	1,230	2,460	2,670	Negotiation	Mr. Usama Qamar
KIA Picanto	3,690	1,230	2,460	2,577	Negotiation	Mr. Usama Qamar
KIA Picanto	3,690	1,230	2,460	2,712	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,690	1,292	2,398	2,706	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,690	1,292	2,398	2,689	Negotiation	Mr. Usama Qamar
KIA Picanto	3,690	1,230	2,460	2,704	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,690	1,230	2,460	2,626	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,690	1,292	2,398	2,717	Negotiation	Mr. Naveed Ahmed
KIA Picanto	3,689	1,660	2,029	2,527	Negotiation	Mr. Usama Qamar
Balance carried forward	688,180	302,396	385,784	537,014		

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000						
Vehicles						
Balance brought forward	688,180	302,396	385,784	537,014		
KIA Picanto	3,685	1,413	2,272	2,687	Negotiation	Mr. Muhammad Ahsan Raza
KIA Picanto	3,651	1,278	2,373	2,629	Negotiation	Syed Riaz Ahmed
KIA Picanto	3,651	1,278	2,373	2,617	Negotiation	M/s Amin Motors
KIA Picanto	3,645	1,276	2,369	2,680	Negotiation	Mr. Muhammad Fahad Aslam
KIA Picanto	3,645	1,276	2,369	2,616	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,645	1,276	2,369	2,685	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,645	1,154	2,491	2,687	Negotiation	Mr. Zaid
KIA Picanto	3,645	1,640	2,005	2,705	Negotiation	Mr. Muhammad Fahad Aslam
KIA Picanto	3,644	1,275	2,369	2,683	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,642	1,335	2,307	2,671	Negotiation	Mr. Ali
KIA Picanto	3,642	1,214	2,428	2,690	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,642	1,214	2,428	2,687	Negotiation	Mr. Zaid
KIA Picanto	3,642	1,275	2,367	2,531	Negotiation	Mr. Imran Saeed
KIA Picanto	3,642	1,275	2,367	2,594	Negotiation	Mr. Zaid
KIA Picanto	3,642	1,275	2,367	2,594	Negotiation	Mr. Zaid
KIA Picanto	3,642	1,275	2,367	2,635	Negotiation	Mr. Muhammad Fahad Aslam
KIA Picanto	3,642	1,214	2,428	2,737	Negotiation	Mr. Zaid
KIA Picanto	3,642	1,760	1,882	2,687	Negotiation	M/s Amin Motors
KIA Picanto	3,641	1,274	2,367	2,569	Negotiation	Mr. Adeel Ahmed Hussaini
KIA Picanto	3,639	1,395	2,244	2,526	Negotiation	Mr. Adeel Ahmed Hussaini
KIA Picanto	3,625	1,269	2,356	2,430	Negotiation	Mr. Faheem Ahmed Chauhan
KIA Picanto	3,625	1,269	2,356	2,641	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,615	1,265	2,350	2,672	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,615	1,506	2,109	2,463	Negotiation	Mr. Muhammad Ahsan Raza
KIA Picanto	3,615	1,265	2,350	2,670	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,614	1,265	2,349	2,561	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,613	1,263	2,350	2,834	Negotiation	Mr. Usama Qamar
KIA Picanto	3,612	1,264	2,348	2,733	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,612	1,263	2,349	2,653	Negotiation	Mr. Usama Qamar
KIA Picanto	3,612	1,746	1,866	2,736	Negotiation	Mr. Rao Farman Ali
KIA Picanto	3,611	1,264	2,347	2,682	Negotiation	Mr. Usama Qamar
KIA Picanto	3,611	1,264	2,347	2,707	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,611	1,264	2,347	2,581	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,607	1,262	2,345	2,714	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,572	1,250	2,322	2,557	Negotiation	Mr. Zaid
KIA Picanto	3,571	1,726	1,845	2,720	Negotiation	Mr. Muhammad Talha
KIA Picanto	3,566	1,248	2,318	2,620	Negotiation	Mr. Muhammad Fahad Aslam
KIA Picanto	3,566	1,367	2,199	2,587	Negotiation	Syed Riaz Ahmed
KIA Picanto	3,564	1,366	2,198	2,644	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,563	1,247	2,316	2,557	Negotiation	Mr. Zaid
KIA Picanto	3,563	1,247	2,316	2,635	Negotiation	Mr. Muhammad Fahad Aslam
Suzuki Wagon R	2,417	1,088	1,329	2,264	Negotiation	Mr. Imran Saeed
Honda City	4,988	1,413	3,575	4,300	Takaful Claim	M/s EFU General Insurance Ltd
Honda City	2,677	1,828	849	3,900	Takaful Claim	M/s Salaam Takaful Limited
Toyota Yaris	4,944	1,566	3,378	4,500	Takaful Claim	M/s EFU General Insurance Ltd
Toyota Yaris	4,907	981	3,926	4,760	Takaful Claim	M/s EFU General Insurance Ltd
Changan Alsvin	3,239	1,457	1,782	3,800	Takaful Claim	M/s EFU General Insurance Ltd
Changan Alsvin	2,480	1,364	1,116	3,400	Takaful Claim	M/s EFU General Insurance Ltd
	862,309	366,345	495,964	672,245		
Leasehold improvements						
Civil Works	8,557	7,455	1,102	946	Negotiation	M/s Khan Traders
Civil Works	8,618	8,022	596	447	Negotiation	M/s Muhammadi Cool Center
	17,175	15,477	1,698	1,393		
Electrical, office and computer equipment						
UPS	958	351	607	847	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	958	271	687	614	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	958	271	687	671	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	958	271	687	614	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	1,375	321	1,054	733	Takaful Claim	M/s Adamjee Insurance Company Limited
	5,207	1,485	3,722	3,479		
Balance carried forward	884,691	383,307	501,384	677,117		

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds
	Rupees in '000			
Balance brought forward	884,691	383,307	501,384	677,117
Other disposals				
Vehicles	413,064	403,217	9,847	197,152
Electrical, office and computer equipment	523,210	519,016	4,194	175,125
Furniture and fixtures	7,542	6,896	646	2,792
Leasehold improvements	7,836	7,446	390	5,477
	951,652	936,575	15,077	380,546
Total disposals during December 31, 2025	<u>1,836,343</u>	<u>1,319,882</u>	<u>516,461</u>	<u>1,057,663</u>
Total disposals during December 31, 2024	<u>1,110,497</u>	<u>887,500</u>	<u>222,997</u>	<u>586,816</u>

13. Right-of-use assets	Note	2025		
		Cost	Accumulated Depreciation	Net book value
		Rupees in '000		
At January 1, 2025		33,624,561	(12,394,364)	21,230,197
Additions during the year		3,423,389	-	3,423,389
Depreciation charge	33	-	(2,876,393)	(2,876,393)
Derecognition during the year		(82,381)	82,381	-
At December 31, 2025		<u>36,965,569</u>	<u>(15,188,376)</u>	<u>21,777,193</u>
Lease terms				<u>Over legal life</u>
		2024		
		Cost	Accumulated Depreciation	Net book value
		Rupees in '000		
At January 1, 2024		29,812,340	(10,240,488)	19,571,852
Additions during the year		4,280,598	-	4,280,598
Depreciation charge	33	-	(2,622,253)	(2,622,253)
Derecognition during the year		(468,377)	468,377	-
At December 31, 2024		<u>33,624,561</u>	<u>(12,394,364)</u>	<u>21,230,197</u>
Lease term				<u>Over legal life</u>

13.1 These rental agreements mainly pertain to the branches that are operated throughout Pakistan.

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

	Note	2025	2024
		Rupees in '000	
14 INTANGIBLE ASSETS			
Computer software	14.1	2,356,915	2,227,368
Advance against computer software		1,072,847	669,512
		3,429,762	2,896,880
14.1 At January 1,			
Cost		5,841,699	4,593,357
Accumulated amortisation		3,614,331	2,942,339
Net book value		2,227,368	1,651,018
Year ended December 31,			
Opening net book value		2,227,368	1,651,018
Additions - directly purchased		922,729	1,248,342
Amortisation charge	33	(793,182)	(671,992)
Closing net book value		2,356,915	2,227,368
At December 31,			
Cost	14.1.1	6,764,428	5,841,699
Accumulated amortisation		4,407,513	3,614,331
Net book value		2,356,915	2,227,368
Rate of amortisation (percentage)		10-20	10-20
Useful life		5 - 10 years	5 - 10 years
14.1.1 Included in cost of intangible assets are fully amortised items still in use aggregating Rs. 2,522 million (2024: Rs. 2,306 million). Remaining life of intangible assets ranges from 1 to 10 years.			

	Note	2025	2024
15 OTHER ASSETS		Rupees in '000	
Profit / return accrued in local currency		73,890,154	86,337,594
Profit / return accrued in foreign currencies		681,900	770,387
Acceptances		25,440,891	28,322,450
Advances, deposits, and other prepayments	15.1	15,799,142	12,243,159
Non-banking assets acquired in satisfaction of claims	15.2 & 15.2.1	521,392	521,392
Mark to market gain on forward foreign exchange commitments		2,518,214	1,661,801
Receivables on account of sale of securities		18,062	-
Dividends receivable		261	261
Stamps		38,215	28,644
Security deposits		552,230	556,929
Receivable from State Bank of Pakistan under Home Remittance		10,734,906	4,261,218
Receivable under Alternate Delivery Channel (ADC)		4,784,283	1,772,365
Others		767,420	551,790
		135,747,070	137,027,990
Less: Credit loss allowance / provision held against other assets	15.3.1	(459,512)	(344,733)
Other Assets - net of credit loss allowance / provision held		135,287,558	136,683,257

15.1 This includes prepaid takaful aggregating Rs. 1,164 million (2024: Rs. 665 million) which is being amortised over a period of one year and prepaid staff benefits amounting to Rs. 12,180.51 million (2024: Rs. 9,218.22 million).

	2025	2024
Rupees in '000		
15.2 Market value of Non-banking assets acquired in satisfaction of claims	503,420	498,450
Market valuation of the non-banking assets acquired in satisfaction of claims has been carried out by an independent valuers, M/s Chadils Valuation in December 2025 based on prevailing market values determined through independent market inquiries from local active realtors as more detailed in note 44.2. The valuer is listed on the panel of Pakistan Banks' Association.		

	2025	2024
Rupees in '000		
15.2.1 Non-banking assets acquired in satisfaction of claims		
Opening balance	521,392	50,243
Addition	280,625	471,208
Depreciation	-	(59)
Transfer to property and equipment	(280,625)	-
Closing balance	521,392	521,392

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

15.3	Credit loss allowance / provision held against other assets	Note	2025	2024
			Rupees in '000	
	Credit loss allowance against other assets			
	Profit / return accrued & others		77,399	101,252
	Acceptances		22,090	45,127
			99,489	146,379
	Provision against other assets			
	Non-banking assets acquired in satisfaction of claims		17,972	22,942
	Others		342,051	175,412
			360,023	198,354
			459,512	344,733
15.3.1	Movement in credit loss allowance / provision held against other assets			
	Opening balance		344,733	152,364
	Impact of adoption of IFRS 9		-	162,964
	Charge for the year		306,728	164,222
	Reversals		(152,002)	(107,145)
	Amount adjusted / written off		(39,947)	(27,672)
	Closing balance		459,512	344,733
		Note	2025	2024
16	BILLS PAYABLE		Rupees in '000	
	In Pakistan		73,767,955	112,605,407
17	DUE TO FINANCIAL INSTITUTIONS			
	In Pakistan	17.1 & 17.2 & 17.3	887,048,227	722,286,318
17.1	Details of due to financial institutions - secured / unsecured			
	Secured			
	With State Bank of Pakistan			
	Musharakah under Islamic Export Refinance Scheme	17.1.1	39,928,382	58,932,838
	Investment under Islamic Long Term Financing Facility	17.1.2	16,112,761	19,743,040
	Investment under Islamic Refinance Facility for Combating COVID-19	17.1.2	55,981	331,437
	Investment under Islamic Financing for Renewal Energy	17.1.2	15,331,117	17,508,943
	Investment under Islamic Temporary Economic Refinance Facility for Plant and Machinery	17.1.2	11,048,651	12,742,132
	Investment under Islamic Refinance Scheme for storage of agriculture produce	17.1.2	1,071,071	896,789
	Investment under Islamic Refinance and Credit Guarantee Scheme for Women Entrepreneurs (IRCGSWE)	17.1.2	41,973	10,327
	Investment under Islamic Refinance Scheme for Working Capital Finance	17.1.2	50,000	-
	Investment under Islamic Refinance Scheme for modernization of SMEs (IRFMS)	17.1.2	421,969	181,818
	Investment under Islamic Refinance Scheme for SME Asaan Finance	17.1.2	4,846,580	6,192,179
	Investment under Shariah Compliant Open Market Operations	17.1.3	29,807,956	390,321,306
	Investment under Shariah Compliant Standing Ceiling Facility	17.1.3	444,054,944	47,627,464
	Total secured		562,771,385	554,488,273
	With Scheduled Bank	17.1.4	155,000,000	60,500,000
	Other financial institutions	17.1.5	7,973,336	6,434,755
	Unsecured			
	Overdrawn nostro accounts		2,773,506	2,083,290
	Musharakah with scheduled banks / financial institutions	17.1.6	158,530,000	98,780,000
			887,048,227	722,286,318

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

- 17.1.1** These represent acceptance of funds by the Bank on a profit and loss sharing basis maturing between January 2026 to June 2026 and are secured against demand promissory notes executed in favour of SBP. A limit of Rs. 40,289 million (2024: Rs. 60,933 million) has been allocated to the Bank by SBP under Islamic Export Refinance Scheme. Last announced profit rate on the Musharakah investment is 3.40% (2024: 7.33%) per annum.
- 17.1.2** These represent acceptance of funds and are on profit and loss sharing basis which has been invested in general pool of the Bank and are secured against demand promissory notes executed in favour of SBP. Last announced profit rate on these investments ranges from 0.13% to 3.58% (2024: 0.15% to 5.58%) per annum.
- 17.1.3** These represent acceptance of funds by the Bank on Mudarabah basis which has been invested in special pools of the Bank and are secured against lien of the Bank's investment in Federal Government securities. The expected average return on Open Market Operations is 10.56% (2024: 13.08%) per annum and Standing Ceiling Facility is 11.50% (2024: 14.00%) per annum.
- 17.1.4** These represent acceptance of funds by the Bank on Musharakah basis which are secured against lien of the Bank's investment in Federal Government securities (Note 10.2.2). The expected average return on these Musharakah is around 10.38% (2024: 13.25%) per annum. These balances have maturity in January 2026 (2024: January 2025).
- 17.1.5** These Musharakah are on profit and loss sharing basis with Pakistan Mortgage Refinance Company (PMRC) and Karandaaz with the objective of promoting low cost consumer housing and growth in SME financing respectively. The expected average return on Karandaaz Musharakah ranges from 11.57% to 23.56% (2024: 11.64% to 24.59%) per annum. The expected profit rate on PMRC borrowing is 10.75% (2024: 13.74%) per annum have maturity in November 2027.
- 17.1.6** These represent acceptance of funds by the Bank on Musharakah basis. The expected average return on these Musharakah is around 10.68% (2024: 12.23%) per annum. These balances have maturity in January 2026 (2024: January 2025).

	2025	2024
17.2 Particulars of due to financial institutions with respect to currencies	Rupees in '000	
- in local currency	884,274,721	720,203,028
- in foreign currencies	2,773,506	2,083,290
	<u>887,048,227</u>	<u>722,286,318</u>
17.3 Particulars of due to financial institutions		
- short term	832,934,405	660,958,538
- long term	54,113,822	61,327,780
	<u>887,048,227</u>	<u>722,286,318</u>

18 DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In Local currency	In Foreign currencies	Total	In Local currency	In Foreign currencies	Total
	Rupees in '000					
Customers						
- Current accounts - non-remunerative	1,492,909,032	73,740,245	1,566,649,277	1,135,625,316	66,726,436	1,202,351,752
- Savings deposits	1,327,066,220	86,367,358	1,413,433,578	1,083,985,583	80,885,820	1,164,871,403
- Fixed deposits	268,077,826	14,512,825	282,590,651	164,386,854	15,146,642	179,533,496
- Margin	20,623,920	246,738	20,870,658	19,147,349	1,987,535	21,134,884
	<u>3,108,676,998</u>	<u>174,867,166</u>	<u>3,283,544,164</u>	<u>2,403,145,102</u>	<u>164,746,433</u>	<u>2,567,891,535</u>
Financial institutions						
- Current accounts - non-remunerative	1,588,353	200,949	1,789,302	4,692,359	611,371	5,303,730
- Savings deposits	12,653,980	344,154	12,998,134	11,539,703	46,492	11,586,195
- Fixed deposits	4,510,600	-	4,510,600	89,840	-	89,840
	<u>18,752,933</u>	<u>545,103</u>	<u>19,298,036</u>	<u>16,321,902</u>	<u>657,863</u>	<u>16,979,765</u>
	<u>3,127,429,931</u>	<u>175,412,269</u>	<u>3,302,842,200</u>	<u>2,419,467,004</u>	<u>165,404,296</u>	<u>2,584,871,300</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

	2025	2024
	Rupees in '000	
18.1 Composition of deposits		
- Individuals	2,362,362,828	1,897,354,434
- Government (Federal and Provincial)	31,934,844	40,595,661
- Public sector entities	3,601,142	22,549,444
- Banking companies	858,908	229,428
- Non-Banking financial institutions	18,439,128	16,750,337
- Private sector	885,645,350	607,391,996
	<u>3,302,842,200</u>	<u>2,584,871,300</u>
18.2 Particulars of deposits and other accounts in Pakistan		
- In local currency		
Mudaraba based deposits	1,627,423,016	1,272,182,701
Qard based deposits	1,500,006,915	1,147,284,303
	<u>3,127,429,931</u>	<u>2,419,467,004</u>
- In foreign currencies		
Mudaraba based deposits	101,427,741	98,060,534
Qard based deposits	73,984,528	67,343,762
	<u>175,412,269</u>	<u>165,404,296</u>
	<u>3,302,842,200</u>	<u>2,584,871,300</u>

18.3 This includes eligible deposits covered under deposit protection scheme amounting to Rs. 2,792,508 million (2024: Rs. 2,259,491 million).

	2025	2024
	Rupees in '000	
19. LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS		
Opening balance	25,848,322	22,093,855
Additions during the year	3,423,389	4,280,598
Amortisation of lease liability against right-of-use assets	4,176,644	3,822,277
Payments made during the year	(5,020,039)	(4,348,408)
Closing balance	<u>28,428,316</u>	<u>25,848,322</u>

19.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	727,197	475,350
Long-term lease liabilities		
- 1 to 5 years	5,142,295	4,221,716
- 5 to 10 years	9,169,297	8,181,469
- More than 10 years	13,389,527	12,969,787
	<u>27,701,119</u>	<u>25,372,972</u>
Total lease liabilities	<u>28,428,316</u>	<u>25,848,322</u>

	Note	2025	2024
		Rupees in '000	
20 SUB-ORDINATED SUKUKS			
Additional Tier I Sukuk	20.1	7,000,000	7,000,000
Tier II Sukuk	20.2	9,990,000	13,990,000
		<u>16,990,000</u>	<u>20,990,000</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

- 20.1** In August 2018, the Bank issued regulatory Shariah compliant unsecured, sub-ordinated privately placed Additional Tier I Sukuk based on Mudaraba of Rs. 7,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Additional Tier I sukuk is as follows:

Credit Rating	AA+ (Double A plus) by VIS Credit Rating Company Limited.
Issue Date	August 01, 2018
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual. However, the Bank has call option which can be exercised with prior approval of SBP.
Expected Periodic Profit Amount (Mudaraba Profit Amount)-Non-discretionary subject to actual profit of the pool	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 12.98% per annum.
Call Option	The Bank may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares (variable) upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

- 20.2** In December 2021, the Bank issued regulatory Shariah compliant unsecured, subordinated privately placed Tier II Sukuks based on Mudaraba of Rs. 9,990 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Tier II sukuks is as follows:

Credit Rating	AAA (Triple A) by VIS Credit Rating Company Limited.
Issue Date	December 16, 2021
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected Periodic Profit Amount (Mudaraba Profit Amount)-Non-discretionary subject to actual profit of the pool	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuks is 11.59% per annum.
Call Option	The Bank may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares (variable) upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk, upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

- 20.3** During the year, the Bank exercised Call Option with prior approval of SBP in respect of its regulatory Shariah compliant unsecured, subordinated privately placed Tier II sukuks of Rs. 4,000 million issued by the Bank in January 2020. The principal and profit component of these sukuks were paid back to investors in June 2025.

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

21 DEFERRED TAX LIABILITIES

		2025			
	At January 1, 2025	Recognised in the unconsolidated statement of profit and loss account	Recognised in the unconsolidated statement of comprehensive income	Recognised in Unappropriated Profits	At December 31, 2025
Rupees in '000					
Taxable temporary differences on:					
Excess of accounting book values over tax written down values of owned assets	1,128,110	197,782	-	-	1,325,892
Surplus on revaluation of FVOCI Investments	23,986,292	-	(8,407,840)	-	15,578,452
Surplus on revaluation of FVTPL investments	4,616	8,986	-	-	13,602
Right-of-use assets	-	11,324,140	-	-	11,324,140
	25,119,018	11,530,908	(8,407,840)	-	28,242,086
Deductible temporary differences on:					
Net credit loss allowance against investments	(179,330)	13,563	-	-	(165,767)
Income not accrued due to non-culmination of financing	(5,759,073)	2,347,259	-	-	(3,411,814)
Lease liability against right-of-use assets	-	(14,782,766)	-	-	(14,782,766)
Net credit loss allowance against non-performing Islamic financing and related assets	(4,620,736)	(3,192,108)	-	-	(7,812,844)
Provision against non-banking assets acquired in satisfaction of claims and others	(348,544)	(65,854)	-	-	(414,398)
	(10,907,683)	(15,679,906)	-	-	(26,587,589)
	14,211,335	(4,148,998)	(8,407,840)	-	1,654,497
2024					
	At January 1, 2024	Recognised in the unconsolidated statement of profit and loss account	Recognised in the unconsolidated statement of comprehensive income	Recognised in Unappropriated Profits	At December 31, 2024
Rupees in '000					
Taxable temporary differences on:					
Excess of accounting book values over tax written down values of owned assets	910,196	217,914	-	-	1,128,110
Surplus on revaluation of FVOCI Investments	10,492,339	-	12,206,531	1,287,422	23,986,292
Surplus on revaluation of FVTPL investments	-	2,349	-	2,267	4,616
	11,402,535	220,263	12,206,531	1,289,689	25,119,018
Deductible temporary differences on:					
Net credit loss allowance against investments	(1,140,570)	(394,178)	-	1,355,418	(179,330)
Income not accrued due to non-culmination of financing	(4,982,219)	(776,854)	-	-	(5,759,073)
Net credit loss allowance against non-performing Islamic financing and related assets	(826,762)	(1,980,933)	-	(1,813,041)	(4,620,736)
Provision against non-banking assets acquired in satisfaction of claims and others	(239,492)	(594,649)	-	485,597	(348,544)
	(7,189,043)	(3,746,614)	-	27,974	(10,907,683)
	4,213,492	(3,526,351)	12,206,531	1,317,663	14,211,335

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

	Note	2025	2024
22 OTHER LIABILITIES		Rupees in '000	
Return on deposits and other dues			
- payable in local currency	22.1	11,957,873	12,658,579
- payable in foreign currencies		361,916	319,959
Unearned income	22.2	8,975,298	4,301,617
Accrued expenses	22.3	35,756,050	40,269,608
Current taxation (provision less payments)		8,444,986	17,450,552
Acceptances		25,440,891	28,322,450
Dividend payable (including unclaimed dividend)		44,321	41,374
Payable to defined benefit plan	40.3 & 40.15	2,624,413	2,153,351
Credit loss allowance off-balance sheet obligations	22.4	275,119	302,882
Charity payable	22.5	2,135	31,527
Security deposits against ijarah		34,228,937	20,777,476
Payable on account of credit murabaha / ijarah / musawammah	22.6	837,998	662,558
Security deposits against lockers		257,649	232,090
Mark to market loss on forward foreign exchange commitments		1,731,205	2,347,221
Withholding taxes payable		1,295,863	461,208
Workers' welfare fund payable	22.7	18,128,068	13,893,019
Payable under Alternate Delivery Channel (ADC)		62,915,680	26,625,633
Others		3,294,199	3,425,053
		<u>216,572,601</u>	<u>174,276,157</u>

22.1 This includes Rs. 376 million (2024: Rs. 1,295 million) in respect of return accrued on acceptances from SBP under the Islamic Export Refinance Scheme and Rs. 310.90 million (2024: Rs. 376.80 million) in respect of return accrued on acceptances from the SBP under various Islamic Long Term Refinance Schemes.

22.2 Unearned income mainly relates to Alternate Distribution Channels which is expected to be recognised as income in subsequent years.

22.3 During the year, the Bank reversed Rs. 10,900 million on account of an estimate for variable remuneration relating to prior years based on the assessment finalised during the current year.

	Note	2025	2024
22.4 Credit loss allowance off-balance sheet obligations		Rupees in '000	
Opening balance		302,882	55,167
Impact of adoption of IFRS 9		-	269,835
Charge for the year		222,750	169,393
Reversals for the year		(250,513)	(191,513)
Closing balance	22.4.1	<u>275,119</u>	<u>302,882</u>

22.4.1 This represents credit loss allowance recognised against guarantees, letter of credit and unutilised financing commitments.

	Note	2025	2024
22.5 Reconciliation of charity payable		Rupees in '000	
Balance as at January 1,		31,527	242
Additions during the year		233,274	190,964
Less: Transferred to charity savings account (included in deposits and other accounts)	22.5.1	(262,666)	(159,679)
Balance as at December 31,		<u>2,135</u>	<u>31,527</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

22.5.1 Charity paid through savings account during the year is Rs 311.62 million (2024: Rs 195.00 million). Charity amounting to Rs 100,000 or higher was paid to the following organisations:

	2025	2024
	Rupees in '000	
Ihsan Trust - Related Party	110,000	88,500
Lahore University of Management Sciences	106,171	-
CEIF, IMSciences	17,695	-
Baitussalam Welfare Trust	6,000	5,000
Indus Hospital & Health Network	6,000	5,000
The Patients' Behbud Society for The Aga Khan University Hospital	5,000	2,000
NED University of Engineering & Technology	5,000	750
Hailey College of Commerce	5,000	750
Balochistan University of Information Technology, Engineering and Management Sciences	5,000	750
Bahria University Karachi	5,000	500
The Hunar Foundation	5,000	-
University of Agriculture, Faisalabad	5,000	-
Saylani Welfare Trust	3,000	1,000
Alamgir Welfare Trust International	3,000	4,500
Shahid Afridi Foundation	2,000	-
Karachi Institute Of Kidney Diseases	2,000	-
Transformation International Society, Karachi	2,000	3,000
Karachi Vocational Training Centre	2,000	2,000
ChildLife Foundation, Karachi	1,500	1,000
Afzaal Memorial Thalassemia Foundation	1,500	3,000
Orange Tree Foundation	1,500	1,000
Family Educational Services Foundation	1,500	1,000
Rashid Memorial Welfare Organization	1,000	2,000
Frontier Foundation Welfare Hospital & Blood Transfusion	1,000	-
Al-Mujtaba Education Trust	1,000	-
Patients Aid Foundation, Jinnah Postgraduate Medical Centre, Karachi	1,000	1,000
Al Mustafa Trust	1,000	1,000
Help of Patients in Exigency by Students (HOPES)	1,000	-
Society for Audiological and Developmental Ailments (SADA)	1,000	-
Kutiyana Memon Association	1,000	-
National University of Sciences and Technology	750	-
Ulphat Welfare Organization	500	-
Foundation University	500	-
Zaman Foundation	500	-
Dua Foundation	500	-
The Cancer Foundation, Karachi	-	6,000
Omair Sana Foundation	-	5,500
Kashif Iqbal Thalassemia Care Center	-	4,500
Akhuwat Foundation	-	3,000
SSWAB Trust (Kidney Care & Dialysis Centre)	-	2,500
Diya Pakistan - Related Party	-	2,500
Green Crescent Trust	-	2,000
Karachi Down Syndrome Program (KDSP)	-	2,000
Pakistan's Childrens' Heart Foundation	-	1,500
Muhammadi Haematology Oncology Services & Welfare Foundation	-	1,500
Balance carried forward	311,616	154,750

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

	2025	2024
	Rupees in '000	
Balance brought forward	311,616	154,750
Molana Tariq Jamil Foundation	-	1,500
Bin Qutab Foundation	-	1,500
Professional Education Foundation - Related Party	-	1,500
Khadija Tul Kubra Welfare Trust	-	1,500
Health and Nutrition Development Society (HANDS)	-	1,500
University of Karachi	-	1,500
Roshni Homes Trust	-	1,000
Umeed Welfare Foundation	-	1,000
Sahil Welfare Association	-	1,000
Haqooq-e-Insaniyat Social Welfare Organization	-	1,000
Patients Welfare Foundation, Creek General Hospital	-	1,000
Idara Al-Khair Welfare Society	-	1,000
Prevention of Blindness Trust	-	1,000
Patel Foundation	-	1,000
Pakistan Disabled Foundation	-	1,000
Mukhtaran Rafiq Foundation	-	1,000
Kiran Foundation	-	1,000
Ida Rieu Welfare Association	-	1,000
Mehran Welfare Trust	-	1,000
Rights of Special Persons (ROSP) Welfare Foundation	-	1,000
National Disability & Development Forum	-	1,000
Health Promotion Foundation	-	1,000
Pakistan Islamic Medical Association	-	1,000
Bioniks Welfare Foundation	-	1,000
Institute of Business Administration - Centre for Excellence in Islamic Finance	-	1,000
Bahauddin Zakariya University	-	750
Quaid-e-Azam University	-	750
Riphah International University	-	750
Islamia University of Bahawalpur	-	750
Sukkur IBA University	-	750
Chhipa Welfare Association	-	500
NICE Welfare Society	-	500
The Life Care Foundation Trust	-	500
Jamiyat Punjabi Saudagran-e-Delhi	-	500
Bahria University Islamabad	-	500
Madawa Welfare Society	-	500
Pakistan Association of Deaf	-	500
Read Foundation	-	500
COMSATS University	-	500
National University Of Modern Languages	-	500
Islamia University of Bahawalpur (Rahim Yar Khan Campus)	-	500
Shaheed Zulfiqar Bhutto University	-	500
Muhammad Ali Jinnah University	-	500
Chinot Anjuman-e-Islamia	-	500
University of Engineering and Technology, Lahore	-	500
Air University	-	500
Institute of Business Management, Karachi	-	500
	<u>311,616</u>	<u>195,000</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

22.5.2 The balance in Charity's savings account is Rs. 176.37 million (2024: Rs. 216.78 million).

22.5.3 Movement of charity fund during the year is as under:

	2025	2024
	Rupees in '000	
Opening balance	248,306	228,076
Additions during the year		
Received from customers on delayed payment	194,586	160,034
Dividend purification amount	34,958	23,681
Non-shariah compliant income	3,730	7,249
Profit on charity saving account (net of tax and bank charges)	8,539	24,266
	241,813	215,230
Distribution of Charity		
Education	(274,116)	(112,500)
Health	(25,000)	(48,500)
Community Development	(12,500)	(34,000)
	(311,616)	(195,000)
Closing balance	178,503	248,306

22.6 This represents payable on account of credit Musawammah in accordance IBD Circular No. 02 of 2012 issued by the State Bank of Pakistan.

22.7 The Bank has made full provision for workers' welfare fund (WWF) based on profit for the respective years (2008-2025). In 2016, the Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of (WWF) were not lawful. The Federal Board of Revenue filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not be treated as conclusive. Accordingly, the Bank continues to maintain the provision in respect of WWF.

23 SHARE CAPITAL

23.1 Authorised capital

2025 (Number of Shares)	2024		2025 Rupees in '000	2024
3,253,860,000	3,253,860,000	Ordinary shares of Rs 10 each	32,538,600	32,538,600

23.2 Issued, subscribed and paid up capital

2025 (Number of Shares)	2024		2025 Rupees in '000	2024
527,448,239	521,634,301	Fully paid-up ordinary shares of Rs 10 each	5,274,482	5,216,343
1,273,106,413	1,273,106,413	Issued for cash	12,731,064	12,731,064
1,800,554,652	1,794,740,714	Issued as bonus shares	18,005,546	17,947,407

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

23.3 Shareholding held by associated companies / entities are as follows:

Name of Shareholders	2025		2024	
	Number of shares held	Percentage of Shareholding	Number of shares held	Percentage of Shareholding
Noor Financial Investment Company, Kuwait	630,819,684	35.03%	630,819,684	35.15%
Pakistan Kuwait Investment Company (Private) Limited	536,887,288	29.82%	536,887,288	29.91%
Islamic Development Bank, Jeddah	166,863,457	9.27%	166,863,457	9.30%
CDC - Trustee Meezan Islamic Fund	10,816,155	0.60%	8,269,520	0.46%
CDC - Trustee Al Meezan Mutual Fund	3,567,918	0.20%	1,465,284	0.08%
CDC - Trustee Meezan Tahaffuz Pension Fund	1,588,722	0.09%	1,023,222	0.06%
CDC - Trustee KSE Meezan Index Fund	1,112,339	0.06%	1,732,391	0.10%
CDC - Trustee Meezan Balanced Fund	440,671	0.02%	200,744	0.01%
CDC - Trustee Meezan Dedicated Equity Fund*	148,388	0.01%	32,843	0.00%
CDC - Trustee Meezan Asset Allocation Fund*	198,351	0.01%	48,698	0.00%
Trustee Habbah Education Trust*	72,532	-	72,532	-
CDC - Trustee Meezan Pakistan Exchange Traded Fund*	-	-	89,452	-
CDC - Trustee Meezan Dynamic Asset Allocation Fund	180,251	0.01%	13,748	-
Trustee Pakistan Centre for Philanthropy*	44,480	-	44,480	-

* Nil percentage due to round off

24 RESERVES

Note 2025 2024
Rupees in '000

Share premium		3,879,234	3,104,253
Statutory reserve	24.1	49,671,959	40,767,834
Non distributable capital reserve - gain on bargain purchase		3,117,547	3,117,547
Employee share option compensation reserve	42	1,224,942	945,867
General reserve		66,766	66,766
		<u>57,960,448</u>	<u>48,002,267</u>

24.1 Under section 21(i)(b) of the Banking Companies Ordinance, 1962, an amount not less than 10.00% of the profit is to be transferred to create a reserve fund.

25 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

2025 2024
Rupees in '000

Surplus on revaluation of:

- Securities measured at FVOCI - Debt	22,330,075	41,309,631
- Securities measured at FVOCI - Equity	7,628,487	4,817,853
	<u>29,958,562</u>	<u>46,127,484</u>
Less: Deferred tax surplus on revaluation of :		
- Securities measured at FVOCI - Debt	(11,611,639)	(21,481,008)
- Securities measured at FVOCI - Equity	(3,966,813)	(2,505,284)
	<u>(15,578,452)</u>	<u>(23,986,292)</u>
	<u>14,380,110</u>	<u>22,141,192</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

26	CONTINGENCIES AND COMMITMENTS	Note	2025	2024
			Rupees in '000	
	- Guarantees	26.1	94,577,231	78,286,827
	- Commitments	26.2	1,739,809,762	1,810,593,972
	- Other contingent liabilities	26.3	1,802,000	1,802,000
			<u>1,836,188,993</u>	<u>1,890,682,799</u>
26.1	Guarantees:			
	Financial guarantees		30,395	30,395
	Performance guarantees		59,177,602	53,520,467
	Other guarantees		35,369,234	24,735,965
			<u>94,577,231</u>	<u>78,286,827</u>
26.2	Commitments:			
	Documentary letters of credit		311,246,151	369,351,453
	Commitments in respect of:			
	- forward foreign exchange transactions	26.2.1	380,719,312	280,886,420
	Commitments for acquisition of:			
	- property and equipment		1,619,997	799,899
	- intangible assets		1,077,033	904,732
	Other commitments	26.2.2	1,045,147,269	1,158,651,468
			<u>1,739,809,762</u>	<u>1,810,593,972</u>
26.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		200,854,639	163,944,780
	Sale		179,864,673	116,941,640
			<u>380,719,312</u>	<u>280,886,420</u>
26.2.2	Other Commitments			
	Commitments in respect of financing	26.2.2.1	1,045,147,269	1,158,651,468

26.2.2.1 The Bank makes commitments to extend credit (including to related parties) in the normal course of business but these being revocable commitments do not attract any significant penalty or the expense if the facility is unilaterally withdrawn, other than commitments in respect of syndicated / long term financings amounting to Rs. 129,795 million (2024: Rs. 68,809 million).

26.3 Other contingent liabilities

The Income Tax Department amended the deemed assessment orders of the Bank for prior years including the tax year 2025. The additions / disallowances were mainly due to allocation of expenses relating to dividends and capital gain, allowability of provision against Islamic financing and related assets, provision against investments and provision against other assets. In the amended order for tax year 2015, additional issues with respect to the taxability of gain on bargain purchase, non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches and the levy of super tax were also raised. The matter has been decided in Bank's favour by Appellate Tribunal Inland Revenue. Both the Bank and the tax department filed a reference with the High Court of Sindh in respect of the aforementioned matters.

The management of the Bank, in consultation with its tax advisors, is confident that the decision in respect of the above matters would be in Bank's favour and accordingly no provision has been made in these unconsolidated financial statements with respect thereto. The additional tax liability in respect of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches is Rs. 1,096 million and Rs. 706 million respectively.

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

27	PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS	Note	2025	2024
			Rupees in '000	
	Profit / return earned on:			
	- Financing	27.1	148,851,482	186,397,118
	- Investment		267,469,902	303,021,994
	- Deposits / placements with financial institutions		4,140,913	4,877,740
			<u>420,462,297</u>	<u>494,296,852</u>
27.1	The income on Ijarah under IFAS 2 is net of takaful of Rs. 3,456 million (2024: Rs. 1,891 million) recovered from customers.			
27.2	Profit / return recorded on financial assets measured at:	Note	2025	2024
			Rupees in '000	
	- Fair value through profit or loss		206,615	494,160
	- Fair value through other comprehensive income		258,117,642	257,093,185
	- Amortised cost		162,138,040	236,709,507
			<u>420,462,297</u>	<u>494,296,852</u>
28	PROFIT / RETURN ON DEPOSITS AND OTHER DUES EXPENSED	Note	2025	2024
			Rupees in '000	
	Deposits and other accounts	28.1	108,952,306	144,813,535
	Sub-ordinated sukuks		2,358,041	4,562,021
	Shariah Compliant Open Market Operations and Standing Ceiling Facility from the State Bank of Pakistan		35,301,164	29,066,824
	Other Musharakahs / Mudarabas	28.2	17,202,114	24,992,836
	Amortisation of lease liability against right-of-use assets		4,176,644	3,822,277
			<u>167,990,269</u>	<u>207,257,493</u>
28.1	This includes conversion cost of Rs. 2,318 million (2024: Rs. 4,541 million) against foreign currency deposits.			
28.2	This includes Rs. 2,269 million (2024: Rs. 7,175 million) paid / payable to SBP under Islamic Export Refinance Scheme and Rs. 2,325 million (2024: Rs. 1,524 million) paid / payable to SBP under the various Islamic Long Term Refinance Schemes.			

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

29	FEE AND COMMISSION INCOME	Note	2025	2024
			Rupees in '000	
	Trade related fees and commissions	29.1	6,142,599	5,213,310
	Commission on guarantees		395,902	238,968
	Branch banking customer fees	29.1	4,026,990	3,451,188
	Credit related fees	29.2	133,339	132,436
	Debit card related fees	29.1	9,085,935	9,571,044
	Investment banking related fees		968,673	507,766
	Commission on cash management		581,282	445,768
	Commission on home remittances		413,815	602,818
	Wealth management fees		939,875	1,167,305
	Others		7,142	8,279
			<u>22,695,552</u>	<u>21,338,882</u>

29.1 Trade related income pertains to corporate, commercial and SME segments. Branch banking fees pertain to retail banking segment while debit card fee pertains to alternative delivery channel segment.

29.2 This includes consumer processing fees of Rs. 63.71 million (2024: Rs. 49.61 million).

30	GAIN ON SECURITIES	Note	2025	2024
			Rupees in '000	
	Realised - net	30.1	969,199	3,511,596
	Unrealised - measured as FVTPL / held for trading - net	30.2	17,610	4,351
			<u>986,809</u>	<u>3,515,947</u>

30.1 Realised gain on:

Federal Government Securities	969,177	3,507,565
Associates	22	4,031
	<u>969,199</u>	<u>3,511,596</u>

30.2 Net gain on financial assets measured at FVTPL

- designated upon initial recognition	-	-
- mandatorily measured at FVTPL	17,610	4,351
	<u>17,610</u>	<u>4,351</u>
Net realised gain on financial assets measured at FVOCI	969,177	3,507,565
	<u>986,787</u>	<u>3,511,916</u>

31 NET LOSS ON FINANCIAL ASSETS MEASURED AT AMORTISED COST

Loss on derecognition of financial assets measured at amortised cost	-	(186,473)
	<u>-</u>	<u>(186,473)</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

32	OTHER INCOME	Note	2025	2024
			Rupees in '000	
	Gain on termination of			
	- Ijarah financing		887,371	769,661
	- Diminishing Musharakah and other financing		22,123	50,316
	Gain on sale of property and equipment		541,202	363,819
	Others		5,568	5,950
			<u>1,456,264</u>	<u>1,189,746</u>
33	OPERATING EXPENSES			
	Total compensation expense	33.1	39,265,029	43,732,513
	Property expense			
	Depreciation on right-of-use assets		2,876,393	2,622,253
	Rent and taxes		188,005	484,980
	Utilities cost (including electricity and diesel)		3,164,550	3,785,248
	Security (including guards)		2,052,202	1,736,885
	Repair and maintenance (including janitorial charges)		1,711,054	1,263,849
	Depreciation		1,517,446	1,277,118
	Takaful expenses		26,598	21,632
	Others		37,808	34,477
			<u>11,574,056</u>	<u>11,226,442</u>
	Information technology expenses			
	Software maintenance		3,174,608	2,625,428
	Hardware maintenance		597,842	651,526
	Depreciation		2,092,938	1,776,457
	Amortisation		793,182	671,992
	Network charges		388,437	385,322
			<u>7,047,007</u>	<u>6,110,725</u>
	Other operating expenses			
	Stationery and printing (including debit card related cost)		2,541,170	2,783,893
	Repairs and maintenance		2,123,755	868,657
	Local transportation and car running		2,145,432	1,977,017
	Depreciation on vehicles, equipment etc.		3,551,444	2,875,981
	Legal and professional charges		177,034	210,033
	NIFT and other clearing charges		450,044	329,737
	Marketing, advertisement and publicity		2,605,723	1,597,153
	Security charges - cash transportation		2,006,580	1,588,492
	Communication (including courier)		4,878,890	3,048,753
	Travelling and conveyance		397,984	399,660
	Training and development		180,468	129,153
	Donations		-	5,878
	Fees, subscription and other charges		1,380,762	906,819
	Brokerage and bank charges		577,277	340,183
	Office supplies		809,231	721,557
	Entertainment		122,802	102,464
	Takaful expense		402,473	339,051
	Outsourced services costs	33.2	33,786	31,437
	Auditors' remuneration	33.3	76,716	51,635
	Fees and allowances to Shariah Board	43	77,941	66,528
	Directors' fees and allowances	43	58,940	65,430
	Others		76	408
			<u>24,598,528</u>	<u>18,439,919</u>
			<u>82,484,620</u>	<u>79,509,599</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

33.1 Total compensation expense

Note	2025	2024
	Rupees in '000	
Managerial remuneration		
i) Fixed	24,507,797	20,201,393
ii) Variable		
a) Cash Bonus / Awards etc.	22.3 8,635,309	19,126,878
b) Share based compensation expense	42 748,898	590,777
Charge for defined benefit plan	40 1,648,091	1,036,001
Contribution to defined contribution plan	41 1,032,106	856,545
Compensated absences	312,028	388,953
Others including EOBI, SESSI, uniform, sports etc.	2,380,800	1,531,966
Total compensation expense	39,265,029	43,732,513

33.2 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 7,055 million (2024: Rs. 6,103 million). This cost includes outsourced service costs, which are disclosed specifically in note 33. The entire cost pertains to payments to companies incorporated in Pakistan and mainly on account of security guards, janitorial staff and courier services. Total cost of outsourced activities on account of portfolio management for the year given to Al Meezan Investment Management Limited (a related party) is Rs. 33.79 million (2024: Rs. 31.44 million) has been disclosed in outsourced services costs, which has been disclosed above under operating expenses.

33.3 Auditors' remuneration

	2025	2024
	Rupees in '000	
Audit fee	21,000	18,000
Fee for interim review	6,100	4,500
Special certifications / review / tax advisory services	29,175	22,500
	56,275	45,000
Sindh sales tax on services	5,376	3,600
Out of pocket expenses	4,145	3,035
Reimbursement for technical IFRS review of financial statements by global network	10,920	-
	15,065	3,035
	76,716	51,635

This includes remuneration pertaining to tax advisory services amounting to Rs. 27 million (2024: Rs. 20 million).

34 OTHER CHARGES

	2025	2024
	Rupees in '000	
Penalties imposed by the State Bank of Pakistan	80,701	435,343

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

35	CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET	Note	2025	2024
			Rupees in '000	
	Net credit loss allowance against non-performing Islamic financing and related assets	11.8	3,722,393	8,833,564
	Net (reversal of) / credit loss allowance against investments	10.3	(26,083)	222,190
	Net credit loss allowance / (reversal of credit loss allowance) against cash and balance with treasury banks	7	5,983	(27,886)
	Net credit loss allowance against balances with other banks	8	6,150	14,221
	Net credit loss allowance / provision against other assets	15.3.1 & 35.1	154,726	57,077
	Net credit loss allowance against due from financial institution	9.3.1	191	-
	Net reversal of credit loss allowance against off-balance sheet obligations and other liabilities	22.4	(27,763)	(22,120)
	Recoveries of written off financings	35.2	(36,325)	(2,027)
	Others		86,459	146,050
			<u>3,885,731</u>	<u>9,221,069</u>

35.1 This mainly represents provision (net of recoveries) against operational losses incurred by the Bank in the current or prior years. Further, the provision for credit loss allowance in respect of financial assets has also been recorded in the current year.

35.2 This also includes recoveries against financing written off by HSBC ME prior to its acquisition by the Bank.

36	TAXATION	Note	2025	2024
			Rupees in '000	
	Current	36.1	106,473,213	124,103,931
	Prior years	36.2	3,052,764	-
	Deferred	21	(4,148,998)	(3,526,351)
			<u>105,376,979</u>	<u>120,577,580</u>

36.1 The super tax amounting to Rs. 20,566 million (2024: Rs. 22,879 million) has been recorded by the Bank based on taxable income for the year.

36.2 This includes tax charge amounting to Rs. 2,443.93 million relating to taxability of right-to-use assets and lease liability against right-of-use assets (IFRS 16 adjustments) as introduced in the Seventh Schedule to the Income Tax Ordinance, 2001 vide the Finance Act, 2025.

36.3	Relationship between tax expense and accounting profit	2025	2024
		Rupees in '000	
	Profit before taxation	<u>194,418,229</u>	<u>222,085,104</u>
	Effects of:		
	- Tax calculated at the applicable rate of 43% / 44%	83,599,838	97,717,446
	- Super tax @ 10%	20,566,006	22,879,105
	- Impact of change in tax rate	-	(188,367)
	- Permanent differences	295,285	185,446
	- Others	915,850	(16,050)
	Tax charge for the year	<u>105,376,979</u>	<u>120,577,580</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

37	BASIC AND DILUTED EARNINGS PER SHARE	Note	2025	2024
			Rupees in '000	
37.1	Basic earnings per share			
	Profit for the year		89,041,250	101,507,524
			(Number)	
	Weighted average number of ordinary shares		1,797,432,633	1,792,873,080
			(Rupees)	
	Basic earnings per share		49.54	56.62
37.2	Diluted earnings per share			
	Profit for the year		89,041,250	101,507,524
			(Number)	
	Weighted average number of ordinary shares	37.3	1,808,939,627	1,802,969,285
			(Rupees)	
	Diluted earnings per share		49.22	56.30
37.3	Reconciliation of basic and diluted earning per share		2025	2024
			(Number)	
	Weighted average number of ordinary shares		1,797,432,633	1,792,873,080
	Add: Diluted impact of Employee stock option scheme		11,506,994	10,096,205
	Dilutive potential ordinary shares		1,808,939,627	1,802,969,285
37.4	The Bank has issued 5,813,938 (September 30, 2024: 3,487,520) shares amounting to Rs. 417.509 million (September 30, 2024: Rs. 258.89 million) under employees share option scheme. These shares were issued in July 2025 (2024: July 2024).			
38	CASH AND CASH EQUIVALENTS	Note	2025	2024
			Rupees in '000	
	Cash and balances with treasury banks	7	330,542,818	260,734,258
	Balances with other banks	8	15,388,174	13,424,950
	Overdrawn nostro accounts	17.1	(2,773,506)	(2,083,290)
			343,157,486	272,075,918
38.1	Reconciliation of movement of liabilities to cash flows arising from financing activities			
			2025	
			Sub-ordinated Sukuk	Lease liability against right-of-use assets
				Dividend Payable
			Rupees in '000	
	Balance as at January 01, 2025		20,990,000	25,848,322
	Changes from financing cash flows			
	Payment against lease liability against right-of-use assets		-	(5,020,039)
	Redemption of Tier II Sukuk		(4,000,000)	-
	Dividend paid		-	(50,331,189)
	Total changes from financing cash flows		(4,000,000)	(50,331,189)
	Other changes			
	Addition to lease liability against right-of-use assets		-	3,423,389
	Amortisation of lease liability against right-of-use assets		-	4,176,644
	Cash dividend (Rs. 28 per share)		-	-
			-	7,600,033
	Balance as at December 31, 2025		16,990,000	28,428,316
				44,321

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

	2024		
	Sub-ordinated Sukuk	Lease liability against right-of-use assets	Dividend Payable
	Rupees in '000		
Balance as at January 01, 2024	20,990,000	22,093,855	864,946
Changes from financing cash flows			
Payment against lease liability against right-of-use assets	-	(4,348,408)	-
Dividend paid	-	-	(52,818,741)
Total changes from financing cash flows	-	(4,348,408)	(52,818,741)
Other changes			
Addition to lease liability against right-of-use assets	-	4,280,598	-
Amortisation of lease liability against right-of-use assets	-	3,822,277	-
Cash dividend (Rs 29 per share)	-	-	51,995,169
	-	8,102,875	51,995,169
Balance as at December 31, 2024	20,990,000	25,848,322	41,374

38.2 Additional information on operational cash flows from profit / return

	2025	2024
	Rupees in '000	
Profit / return received on financings, investments and placements	432,998,224	512,158,761
Profit / return paid on deposits and other dues	168,649,018	210,887,181
	264,349,206	301,271,580

39 STAFF STRENGTH

Note

	2025	2024
	(Number of Staff)	
Permanent	16,003	14,810
On Bank's contract	1,796	1,376
Bank's own staff strength at the end of the year	17,799	16,186
Outsourced	2,592	2,467
Total staff strength	20,391	18,653

39.1 This excludes outsourced security guards and janitorial staff.

40 DEFINED BENEFIT PLAN

40.1 Meezan Bank Gratuity Funded Scheme

The activities of the Gratuity Funded Scheme are governed by Meezan Bank Limited Staff Gratuity Fund established in 2000 under the provisions of a Trust Deed. Plan assets held in trust are governed by the Trust Deed as is the nature of the relationship between the Bank and the trustees and their composition. Responsibility for governance of the plan including the investment decisions lies with the Trustees. The Board of Trustees comprise of representatives of the Bank and scheme participants in accordance with the Fund's Trust Deed.

40.2 Number of Employees under the Gratuity Funded Scheme

Note

	2025	2024
	(Number)	
Number of employees eligible under the Gratuity Funded Scheme	13,688	12,457

40.3 Reconciliation of amount payable to defined benefit plan

	2025	2024
	Rupees in '000	
Present value of defined benefit obligations	8,450,282	6,720,526
Fair value of plan assets	(7,051,554)	(5,375,703)
	1,398,728	1,344,823

Notes to and Forming Part of the Unconsolidated Financial Statements

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40.4 Components of plan assets

	Entity / Instrument Credit Rating	2025		2024	
		(Rupees in '000)	%	(Rupees in '000)	%
GoP Ijarah sukuks	Govt. Guaranteed	6,172,000	87.53	4,997,000	92.97
Mutual Funds managed by Al Meezan Investment Management Limited	AM1	782,186	11.09	249,118	4.63
Bank Islami Pakistan Limited - Additional Tier 1 sukuks	A-	5,000	0.07	5,000	0.09
Savings account with Dubai Islamic Bank Limited **	AA	161	-	161	-
Savings account with Meezan Bank Limited	AAA	92,207	1.31	124,424	2.31
		<u>7,051,554</u>	<u>100</u>	<u>5,375,703</u>	<u>100</u>

** Nil due to rounding off

40.5 The movement in the defined benefit obligation over the year is as follows:

	2025		
	Present Value of defined benefit obligation	Fair value of plan assets	Total
	Rupees in '000		
At January 1, 2025	6,720,526	(5,375,703)	1,344,823
Current service cost	1,147,575	-	1,147,575
Return expense / (income)	795,750	(712,391)	83,359
	<u>8,663,851</u>	<u>(6,088,094)</u>	<u>2,575,757</u>
Remeasurements:			
- Return on plan assets, excluding amounts included in return expense / (income) shown as above	-	(83,993)	(83,993)
- Experience gains	251,787	-	251,787
	<u>251,787</u>	<u>(83,993)</u>	<u>167,794</u>
	8,915,638	(6,172,087)	2,743,551
Contribution	-	(1,344,823)	(1,344,823)
Benefit payments	(465,356)	465,356	-
	<u>(465,356)</u>	<u>465,356</u>	<u>-</u>
At December 31, 2025	<u>8,450,282</u>	<u>(7,051,554)</u>	<u>1,398,728</u>

	2024		
	Present Value of defined benefit obligation	Fair value of plan assets	Total
	Rupees in '000		
At January 1, 2024	4,817,560	(3,930,931)	886,629
Current service cost	846,978	-	846,978
Return expense / (income)	684,766	(621,823)	62,943
	<u>6,349,304</u>	<u>(4,552,754)</u>	<u>1,796,550</u>
Remeasurements:			
-Return on plan assets, excluding amounts included in return expense / (income) shown as above	-	(253,306)	(253,306)
-Experience gains	688,208	-	688,208
	<u>688,208</u>	<u>(253,306)</u>	<u>434,902</u>
	7,037,512	(4,806,060)	2,231,452
Contribution	-	(886,629)	(886,629)
Benefit payments	(316,986)	316,986	-
	<u>(316,986)</u>	<u>316,986</u>	<u>-</u>
At December 31, 2024	<u>6,720,526</u>	<u>(5,375,703)</u>	<u>1,344,823</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

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40.6 Charge for defined benefit plan (in respect of the Gratuity Funded Scheme)

	2025	2024
	Rupees in '000	
40.6.1 Cost recognized in unconsolidated statement of profit and loss account		
Current service cost	1,147,575	846,978
Net return cost	83,359	62,943
	<u>1,230,934</u>	<u>909,921</u>
40.6.2 Re-measurements recognised in OCI during the year		
Gain on obligation - Experience adjustment	251,787	688,208
Return on plan assets over expected return	(83,993)	(253,306)
Total re-measurements recognised in OCI	<u>167,794</u>	<u>434,902</u>

Total expense recognised in unconsolidated statement of profit and loss account amounted to Rs. 1,648.10 million (2024: Rs. 1,036 million) of which Rs. 1,230.90 million (2024: Rs. 909.92 million) pertains to approved Gratuity Funded Scheme and Rs. 417.10 million (2024: Rs. 126.08 million) pertains to End of Service Unfunded Defined Benefit Scheme. Total expense recognised in Other Comprehensive Income amounted to Rs. 167.80 million (2024: Rs. 453.78 million) of which expense of Rs. 167.80 million (2024: charge of Rs. 434.90 million) pertains to Gratuity Funded Scheme and Nil charge (2024: charge of Rs. 18.88 million) pertains to End of Service Unfunded Defined Benefit Scheme.

40.7 The plan assets and defined benefit obligations (in respect of the Gratuity Funded Scheme) are based in Pakistan.

	2025	2024
40.8 Principal actuarial assumptions		
Discount rate	11.50% p.a	12.25% p.a
Expected rate of increase in salaries	13.00% p.a	13.25% p.a
Expected rate of return on investments	11.50% p.a	12.25% p.a
Normal retirement age	60 years	60 years

40.9 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.

40.10 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation - Increase / (Decrease)			
		December 31, 2025		December 31, 2024	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Rupees in '000					
Discount rate	1.00%	(924,837)	1,099,023	(595,794)	693,568
Salary growth rate	1.00%	1,118,596	(957,415)	712,070	(622,049)
Withdrawal rate	10.00%	(26,906)	27,733	(22,529)	23,911

The above sensitivity analyses 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 as when calculating the gratuity liability recognised within the unconsolidated Statement of Financial Position.

40.11 The weighted average duration of the defined benefit obligation is 12.01 years.

40.12 Expected maturity analysis of undiscounted defined benefit obligation for the Gratuity Funded Scheme is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Rupees in '000					
At December 31, 2025	<u>322,173</u>	<u>420,383</u>	<u>1,413,353</u>	<u>51,699,269</u>	<u>53,855,178</u>
At December 31, 2024	<u>490,434</u>	<u>424,281</u>	<u>1,651,132</u>	<u>32,866,341</u>	<u>35,432,188</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

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40.13 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Contribution for the next year works out to Rs. 2,036.84 million as per the actuarial valuation report of the Bank as of December 31, 2025.

40.14 Through its Gratuity Funded Scheme, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate sukuk yields; if plan assets underperform to the yield, this will create a deficit. The Fund believes that due to long-term nature of the plan liabilities and the Bank's support, the current investment strategy manages this risk adequately.
Changes in sukuk yields	A decrease in corporate sukuk yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' sukuk holdings.
Inflation risk	The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. However, plan assets are variable rate instruments and are re-priced at regular intervals to off set inflationary impacts.
Life expectancy / Withdrawal rate	The majority of the plans' obligations are to provide benefits on severance with the Bank on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

40.15 End of Service Unfunded Defined Benefit Scheme

The Bank was also operating an End of Service Unfunded Defined Benefit Scheme for the founding President and Ex-Chief Executive Officer. The scheme was introduced in 2015 and the benefits under the scheme was linked to last drawn compensation and years of service with the Bank. The scheme matured during the year upon his retirement. Final liability of Rs. 1,225.685 million has been presented under "other liabilities" which was paid subsequent to the year end.

The net charge for the year of this benefit amounted to Rs. 417.16 million (2024: Rs. 144.98 million). The charge of Rs. 417.157 million (2024: Rs. 126.08 million) has been recognised in the unconsolidated statement of profit and loss account and Nil charge (2024: Rs. 18.88 million) has been recognised in unconsolidated statement of comprehensive income. The opening present value of defined benefit obligation recognised in respect of this scheme amounted to Rs. 808.53 million.

40.16 The disclosures made in notes 40.1 to 40.13 are based on the information included in the actuarial valuation reports of the Bank as at December 31, 2025.

41 DEFINED CONTRIBUTION PLAN

The Bank also operates a recognised contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Bank and the employees, to the fund at a rate of 10% of basic salary.

	2025	2024
	Rupees in '000	
Contribution from the Bank	1,032,106	856,545
Contribution from the employees	1,032,106	856,545
	<u>2,064,212</u>	<u>1,713,090</u>

42 EMPLOYEES STOCK OPTION SCHEME

During the years 2021-2025, the Board Human Resources, Remuneration and Compensation Committee (the Committee) has granted Share Options to the designated employees under the Meezan Bank Employees Share Option Scheme, 2021 (the Scheme) approved by the shareholders and Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SMD/Co.86(1)/3/2001/4 dated April 21, 2021.

Under the scheme, the exercise price has been determined as 70% of the average market closing price of the Bank's shares quoted on the Pakistan Stock Exchange during the last forty trading days prior to the date of grant. There are no performance measures attached to options granted. The options carry neither right to dividends nor voting rights till shares are issued to employees on exercise of options on completion of the vesting period. The shares will be vested over a period of 4 years from the respective grant date, with one-third being vested after two years from the date of grant, one-third after three years and the remaining one-third after four years.

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The value of these equity-settled options have been determined using the Black Scholes Merton (BSM) method using an independent valuer. The key details of the share options are as under:

	Vesting Period	Exercise Date	Options granted	Options outstanding	Exercise Price (Rs)	Fair value per option (Rs)	Risk Free Rate	Standard Deviation
Share options issued in 2025	2 years	1-May-26	1,812,533	1,766,000	176.62	351	12.50%	29.35%
	3 years	1-May-27	1,812,533	1,766,000	176.62	397		
	4 years	1-May-28	1,812,533	1,766,000	176.62	451		
			<u>5,437,599</u>	<u>5,298,000</u>				
Share options issued in 2024	2 years	1-May-26	2,936,667	2,544,129	144.99	112	15.00%	28.56%
	3 years	1-May-27	2,936,667	2,544,129	144.99	129		
	4 years	1-May-28	2,936,667	2,544,129	144.99	145		
			<u>8,810,001</u>	<u>7,632,387</u>				
Share options issued in 2023	2 years	1-May-25	3,164,300	-	67.78	52	15.75%	28.16%
	3 years	1-May-26	3,164,300	2,447,991	67.78	61		
	4 years	1-May-27	3,164,300	2,447,991	67.78	69		
			<u>9,492,900</u>	<u>4,895,982</u>				
Share options issued in 2022	2 years	1-May-24	2,508,648	-	85.76	44	13.50%	30.08%
	3 years	1-May-25	2,508,648	-	85.76	55		
	4 years	1-May-26	2,508,648	2,006,047	85.76	64		
			<u>7,525,944</u>	<u>2,006,047</u>				

Expense arising from this scheme is disclosed in note 33.1.

43 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	2025						
	Directors			Members Shariah Board	President / CEO*	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
	Rupees in '000						
Fees and allowances	10,990	-	47,950	4,000	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	35,036	73,312	368,067	520,329
ii) Cash Bonus	-	-	-	11,600	1,000,000	683,505	730,930
iii) Share based compensation expense	-	-	-	-	2,864	58,603	100,853
Charge for gratuity fund / EOSB (note 40.15)	-	-	-	-	417,157	25,817	34,866
Contribution to defined contribution plan	-	-	-	-	-	31,315	42,631
Rent & house maintenance	-	-	-	15,044	34,630	157,467	197,249
Utilities	-	-	-	3,344	7,045	34,153	43,833
Medical	-	-	-	3,344	8,848	35,282	43,833
Conveyance	-	-	-	5,573	11,744	56,933	73,066
Leave encashment	-	-	-	-	64,560	-	-
Others	-	-	-	-	124	-	-
	10,990	-	47,950	77,941	1,620,284	1,451,142	1,787,590
Number of persons	1	-	9	5	1	21	72

* During the year, Mr. Irfan Siddiqui retired on December 29, 2025 and Dr. Syed Amir Ali retired from the position of Deputy Chief Executive Officer and was appointed as the President & Chief Executive Officer effective December 30, 2025, succeeding the founding President.

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	2024						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
	Rupees in '000						
Fees and allowances	10,680	-	54,750	3,600	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	29,887	62,970	383,911	405,174
ii) Cash Bonus	-	-	-	10,600	286,000	639,670	650,000
iii) Share based compensation expense	-	-	-	-	6,246	57,363	84,724
Charge for gratuity fund / EOSB (note 40.15)	-	-	-	-	144,980	23,220	27,244
Contribution to defined contribution plan	-	-	-	-	-	28,918	33,846
Rent & house maintenance	-	-	-	12,366	31,197	141,444	152,580
Utilities	-	-	-	2,748	6,297	30,507	33,907
Medical	-	-	-	2,747	7,030	31,345	33,907
Conveyance	-	-	-	4,580	10,497	50,852	56,519
Others	-	-	-	-	112	78	-
	<u>10,680</u>	<u>-</u>	<u>54,750</u>	<u>66,528</u>	<u>555,329</u>	<u>1,387,308</u>	<u>1,477,901</u>
Number of persons	<u>1</u>	<u>-</u>	<u>9</u>	<u>5</u>	<u>1</u>	<u>21</u>	<u>66</u>

43.1 The Chief Executive, the key management personnel, certain members of Shariah board and certain material risk takers / controllers have been provided with free use of the Bank's cars.

43.2 The amount of cash bonus to the key management personnel, Resident Shariah Board Member and other material risk takers / controllers, is based on the management's best estimate.

43.3 Remuneration to Directors for participation in Board and Committee Meetings.

2025								
Sr. No.	Name of Director	Meeting Fees and Allowances						Total Amount
		For Board Committees						
		For Board Meetings	Board Audit Committee	Risk Management Committee	Information Technology Committee	Human Resources, Remuneration & Compensation Committee	IFRS 9 Implementation Oversight Committee	
Rupees in '000								
1	Mr. Riyadh S.A.A. Edrees (Chairman)	3,840	-	-	1,950	2,600	2,600	10,990
2	Mr. Bader H.A.M.A. Al-Rabiah	2,000	-	1,950	650	-	-	4,600
3	Mr. Saad Ur Rahman Khan	3,200	2,600	2,600	2,600	-	-	11,000
4	Mr. Faisal Fahad Al-Muzaini	1,200	-	-	-	-	1,950	3,150
5	Mr. Tariq Mahmood Pasha	3,200	2,600	-	-	-	-	5,800
6	Mr. Zine Elabidine Bachiri	1,200	-	1,300	-	-	-	2,500
6	Mr. Mohammad Abdul Aleem	3,200	2,600	-	-	2,600	-	8,400
8	Ms. Nausheen Ahmad	2,800	-	-	-	2,600	-	5,400
9	Mr. Abdulrazzaq T.A.M. Razooqi	3,200	1,950	1,950	-	-	-	7,100
10	Mr. Irfan Siddiqui *	-	-	-	-	-	-	-
		23,840	9,750	7,800	5,200	7,800	4,550	58,940

* Mr. Irfan Siddiqui retired from the position of President & CEO with effect from 29th December 2025.

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		2024						
Sr. No.	Name of Director	Meeting Fees and Allowances						
		For Board Committees						Total Amount
		For Board Meetings	Board Audit Committee	Risk Management Committee	Information Technology Committee	Human Resources, Remuneration & Compensation Committee	IFRS 9 Implementation Oversight Committee	
Rupees in '000								
1	Mr. Riyadh S.A.A. Edrees (Chairman)	2,880	-	-	2,600	2,600	2,600	10,680
2	Mr. Faisal A.A.A. Al-Nassar (Vice Chairman)**	2,400	2,600	2,600	2,600	-	-	10,200
3	Mr. Bader H.A.M.A. Al-Rabiah	1,600	-	1,950	-	-	-	3,550
4	Mr. Saad Ur Rahman Khan	3,200	2,600	2,600	2,600	-	-	11,000
5	Mr. Faisal Fahad Al-Muzaini	800	-	-	-	-	2,600	3,400
6	Mr. Tariq Mahmood Pasha	3,200	-	-	-	-	-	3,200
7	Mr. Mohamed Guermazi**	3,200	2,600	-	-	-	-	5,800
8	Mr. Mohammad Abdul Aleem	3,200	2,600	-	-	2,600	-	8,400
9	Ms. Nausheen Ahmad	3,200	-	-	-	2,600	-	5,800
10	Mr. Yousef S.M.A. Al-Saad**	800	-	2,600	-	-	-	3,400
11	Mr. Zine Elabidine Bachiri*	-	-	-	-	-	-	-
12	Mr. Abdulrazzaq T.A.M. Razooqi*	-	-	-	-	-	-	-
		24,480	10,400	9,750	7,800	7,800	5,200	65,430

* They were elected on the Board with effect from November 18, 2024.

** They retired from the Board with effect from November 18, 2024.

43.4 Remuneration to Shariah Board Members

	2025			2024		
	Chairman	Resident Member	Non Resident Members	Chairman	Resident Member	Non Resident Members
Rupees in '000						
Meeting fees	-	-	4,000	-	-	3,600
Managerial remuneration and allowances	-	12,000	50,341	-	9,601	42,727
Cash Bonus	-	11,600	-	-	10,600	-
	-	23,600	54,341	-	20,201	46,327
Total number of persons	1	1	3	1	1	3

44 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted debt securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities is determined based on the value available on Mutual Fund Association of Pakistan (MUFAP). In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer financings and deposits, are frequently repriced.

44.1 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).

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The table below analyses financial instruments measured as at December 31, 2025 and December 31, 2024 by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Carrying value	2025			
		Fair value			
		Level 1	Level 2	Level 3*	Total
		Rupees in '000			
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	2,101,211,896	1,148,274,703	952,937,193	-	2,101,211,896
- Shares / Units of open-ended mutual funds	17,277,372	16,800,261	95,977	381,134	17,277,372
- Non Government sukuku	11,000,151	-	11,000,151	-	11,000,151
- Foreign securities	10,880,547	-	10,870,158	10,389	10,880,547
	2,140,369,966	1,165,074,964	974,903,479	391,523	2,140,369,966
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	454,544,838	-	64,605,563	390,295,665	454,901,228
	454,544,838	-	64,605,563	390,295,665	454,901,228
	2,594,914,804	1,165,074,964	1,039,509,042	390,687,188	2,595,271,194
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	2,518,214	-	2,518,214	-	2,518,214
Forward sale of foreign exchange	1,731,205	-	1,731,205	-	1,731,205
2024					
	Carrying value	Fair value			
		Level 1	Level 2	Level 3*	Total
		Rupees in '000			
		On balance sheet financial instruments			
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,359,467,076	555,352,527	804,114,549	-	1,359,467,076
- Shares / Units of mutual funds	11,197,572	10,513,112	66,633	617,827	11,197,572
- Non Government Sukuk	131,254,670	118,045,677	13,208,993	-	131,254,670
- Foreign Securities	3,968,059	-	3,957,670	10,389	3,968,059
	1,505,887,377	683,911,316	821,347,845	628,216	1,505,887,377
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	362,725,910	-	343,031,635	21,053,574	364,085,209
	362,725,910	-	343,031,635	21,053,574	364,085,209
	1,868,613,287	683,911,316	1,164,379,480	21,681,790	1,869,972,586
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	1,661,801	-	1,661,801	-	1,661,801
Forward sale of foreign exchange	2,347,221	-	2,347,221	-	2,347,221

*The fair value amount is not determined to be significantly different from the carrying value.

44.2 Fair Value of non-financial assets

Fair value of non-financial assets		2025			
Carrying value	Fair value				
	Level 1	Level 2	Level 3	Total	
Rupees in '000					
Non-banking assets acquired in satisfaction of claims	503,420	-	-	503,420	503,420
	503,420	-	-	503,420	503,420

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	2024			
	Carrying value	Fair value		
		Level 1	Level 2	Level 3
		Rupees in '000		
Total				
Non-banking assets acquired in satisfaction of claims	498,450	-	-	498,450
	498,450	-	-	498,450

Non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Listed Securities	The valuation has been determined through closing rates of Pakistan Stock Exchange.
GoP Ijarah Sukuks	The fair value of GoP Ijarah sukuku listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange. The fair value of other GoP Ijarah sukuku are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.
Foreign Sukuks	These are measured at fair value using the rates published by the valuation expert portal (Bloomberg).
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by SBP.
Non-banking assets acquired in satisfaction of claims	NBAs are valued by professionally qualified valuers as per the accounting policy disclosed in these unconsolidated financial statements of the Bank for the year ended December 31, 2025.
Units of open-ended mutual funds	The valuation has been determined based on net asset values (NAV) declared by respective funds.
Unquoted Equity Securities	Fair value of investment in Sapphire Electric Company Limited has been determined by Dividend Discount Model (DDM) by using constant dividends streams of the entity using various key assumptions considering economic and market conditions. Key assumptions include discount rate and terminal growth rate (if applicable).
Corporate sukuku	The valuation has been determined through closing rates announced by FMA (Financial Market Association) through Reuters.

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

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

The valuation of non-banking assets acquired in satisfaction of claims, mentioned above, is conducted by the valuation expert appointed by the Bank which is also on the panel of the Pakistan Banks' Association (PBA). The valuation expert uses a market based approach to arrive at the fair value of the Bank's non-banking asset acquired in satisfaction of claims. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. This value is adjusted to reflect the current condition of the property. The effect of changes in the unobservable inputs used in the valuation cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

The reconciliation from the opening balance to the closing balance of the non-banking assets acquired in satisfaction of claims has been disclosed in note 15.2.1. The change in the market value has been accounted for in the unconsolidated statement of profit and loss account.

The sensitivity analysis of the fair value measurement of unquoted equity securities due to changes in observable inputs has not been disclosed as the amount is not material and significant.

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45 SEGMENT INFORMATION

45.1 Segment details with respect to Business Activities

	2025					
	Corporate and Commercial banking	Retail banking	Trading and sales	Others	Inter-segment Eliminations	Total
	Rupees in '000					
Unconsolidated statement of profit and loss account						
External funded revenue	137,588,954	12,914,772	269,958,571	-	-	420,462,297
External non funded revenue	7,903,281	6,160,353	8,474,989	10,093,679	-	32,632,302
Inter segment revenue - net	-	327,555,777	-	617,643	(328,173,420)	-
Total Income	145,492,235	346,630,902	278,433,560	10,711,322	(328,173,420)	453,094,599
External cost of funds	6,774,167	114,239,939	46,976,163	-	-	167,990,269
Segment direct expenses	2,420,886	71,223,295	4,568,379	8,587,810	-	86,800,370
Inter segment expense allocation	111,871,540	-	216,301,880	-	(328,173,420)	-
Total expenses	121,066,593	185,463,234	267,846,422	8,587,810	(328,173,420)	254,790,639
Credit loss allowance / provisions and write offs - net	3,644,634	142,025	7,109	91,963	-	3,885,731
Profit before tax	20,781,008	161,025,643	10,580,029	2,031,549	-	194,418,229
Unconsolidated statement of financial position						
Cash and bank balances	3,519,303	328,711,413	-	13,700,276	-	345,930,992
Due from financial institutions	-	-	12,325,225	-	-	12,325,225
Investments	10,998,843	-	2,585,838,297	-	-	2,596,837,140
Net inter segment lending	-	3,009,284,975	-	51,428,568	(3,060,713,543)	-
Islamic financings and related assets	1,513,471,064	127,463,734	-	-	-	1,640,934,798
Others	44,107,572	96,499,687	64,704,035	5,221,470	-	210,532,764
Total assets	1,572,096,782	3,561,959,809	2,662,867,557	70,350,314	(3,060,713,543)	4,806,560,919
Due to financial institutions	83,419,224	13,462,601	790,166,402	-	-	887,048,227
Deposits and other accounts	-	3,302,842,200	-	-	-	3,302,842,200
Subordinated sukuks	16,990,000	-	-	-	-	16,990,000
Net inter segment borrowing	1,344,400,777	-	1,716,312,766	-	(3,060,713,543)	-
Others	35,949,287	213,545,068	1,678,037	69,250,977	-	320,423,369
Total liabilities	1,480,759,288	3,529,849,869	2,508,157,205	69,250,977	(3,060,713,543)	4,527,303,796
Equity	91,337,494	32,109,940	154,710,352	1,099,337	-	279,257,123
Total equity and liabilities	1,572,096,782	3,561,959,809	2,662,867,557	70,350,314	(3,060,713,543)	4,806,560,919
Contingencies and commitments	1,450,970,651	4,499,030	380,719,312	-	-	1,836,188,993

Notes to and Forming Part of the Unconsolidated Financial Statements

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	2024					
	Corporate and Commercial banking	Retail banking	Trading and sales	Others	Inter-segment Eliminations	Total
	Rupees in '000					
Unconsolidated statement of profit and loss account						
External funded revenue	180,431,534	9,026,199	304,839,119	-	-	494,296,852
External non funded revenue	6,128,261	5,428,358	6,535,096	10,786,231	-	28,877,946
Inter segment revenue - net	-	442,957,809	-	80,440	(443,038,249)	-
Total Income	186,559,795	457,412,366	311,374,215	10,866,671	(443,038,249)	523,174,798
External cost of funds	14,557,941	149,691,564	43,007,988	-	-	207,257,493
Segment direct expenses	2,416,965	75,522,900	900,485	5,770,782	-	84,611,132
Inter segment expense allocation	156,526,309	-	286,511,940	-	(443,038,249)	-
Total expenses	173,501,215	225,214,464	330,420,413	5,770,782	(443,038,249)	291,868,625
Credit loss allowance / provisions and write offs - net	8,936,298	114,423	7,184	163,164	-	9,221,069
Profit before tax	4,122,282	232,083,479	(19,053,382)	4,932,725	-	222,085,104
Unconsolidated statement of financial position						
Cash and bank balances	2,701,418	259,368,426	-	12,089,364	-	274,159,208
Due from financial institutions	-	-	34,964,299	-	-	34,964,299
Investments	13,208,564	-	1,857,327,056	-	-	1,870,535,620
Net inter segment lending	-	2,444,512,559	-	16,951,471	(2,461,464,030)	-
Islamic financings and related assets	1,428,194,014	86,561,922	-	-	-	1,514,755,936
Others	51,600,199	92,207,162	61,919,007	1,931,700	-	207,658,068
Total assets	1,495,704,195	2,882,650,069	1,954,210,362	30,972,535	(2,461,464,030)	3,902,073,131
Due to financial institutions	109,871,661	13,102,601	599,312,056	-	-	722,286,318
Deposits and other accounts	-	2,584,871,300	-	-	-	2,584,871,300
Subordinated sukuks	20,990,000	-	-	-	-	20,990,000
Net inter segment borrowing	1,233,902,187	-	1,227,561,843	-	(2,461,464,030)	-
Others	36,268,764	256,943,965	3,643,429	30,085,063	-	326,941,221
Total liabilities	1,401,032,612	2,854,917,866	1,830,517,328	30,085,063	(2,461,464,030)	3,655,088,839
Equity	94,671,583	27,732,203	123,693,034	887,472	-	246,984,292
Total equity and liabilities	1,495,704,195	2,882,650,069	1,954,210,362	30,972,535	(2,461,464,030)	3,902,073,131
Contingencies and commitments	1,606,289,737	3,506,642	280,886,420	-	-	1,890,682,799

46 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	Type	2025	2024	2025	2024
		IPS accounts		Face Value	
		Number		Rupees in '000	
Corporates	Government ijarah sukuks	5	9	37,465,000	229,115,000
Insurance companies / takaful companies	Government ijarah sukuks	3	4	864,300	1,246,800
Employees funds	Government ijarah sukuks	10	10	9,429,000	11,862,300
Charitable institutions / NGO	Government ijarah sukuks	4	3	547,200	906,200
Individuals	Government ijarah sukuks	48	51	2,327,100	2,321,800
		70	77	50,632,600	245,452,100

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47 RELATED PARTY TRANSACTIONS

47.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes a subsidiary companies, associated companies, retirement benefit funds, directors, and key management personnel and their close family members.

47.2 The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person 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 and other benefit to the key management personnel is determined in accordance with the terms of their appointment.

47.3 Subsidiary companies

- Al Meezan Investment Management Limited
- Meezan Exchange Company (Private) Limited

47.4 Associates

Associates include mutual funds managed by Al Meezan Investment Management Limited and entities having common directorship with the Board. However, entities are not considered related party only if common director is an independent director working on both the Boards.

47.5 Key management personnel

- President and Chief Executive Officers
- Deputy Chief Executive Officer

47.6 Details of transactions with related parties during the year and balances with them (other than those disclosed in respective notes) as at the year-end as are follows:

	Total		Subsidiaries		Associates		Directors and close family members		Key management personnel and close family members		Other related parties	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees in '000											
Islamic financing and related assets												
At January 1,	82,900	33,002,164	-	-	-	32,914,968	-	-	82,900	87,196	-	-
Addition during the year	15,850	3,522,664	-	-	-	3,522,664	-	-	15,850	-	-	-
Repayment during the year	(5,090)	(36,441,928)	-	-	-	(36,437,632)	-	-	(5,090)	(4,296)	-	-
At December 31,	93,660	82,900	-	-	-	-	-	-	93,660	82,900	-	-
Investments												
At January 1,	1,922,333	908,302	1,063,050	63,050	859,283	845,252	-	-	-	-	-	-
Investments made during the year	517	1,015,000	-	1,000,000	517	15,000	-	-	-	-	-	-
Repayment / redemption during the year	(514)	(969)	-	-	(514)	(969)	-	-	-	-	-	-
At December 31,	1,922,336	1,922,333	1,063,050	1,063,050	859,286	859,283	-	-	-	-	-	-
Deposits												
	9,443,127	8,477,554	684,767	287,629	7,660,890	6,758,697	319,072	251,138	39,694	75,745	738,704	1,104,345
Other Assets												
Profit receivable on financing / investments / placements	44	44	-	-	-	-	-	-	44	44	-	-
Fee and other receivable	202,628	294,119	177,254	235,786	25,374	58,333	-	-	-	-	-	-
Provision / credit loss allowance held	39	45	24	32	3	8	-	-	12	5	-	-

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	Total		Subsidiaries		Associates		Directors and close family members		Key management personnel and close family members		Other related parties	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees in '000											
Due to financial institutions												
At January 1,	47,130,000	-	-	-	47,130,000	-	-	-	-	-	-	-
Addition during the year	457,553,200	643,630,000	-	-	457,553,200	643,630,000	-	-	-	-	-	-
Paid during the year	(418,723,200)	(596,500,000)	-	-	(418,723,200)	(596,500,000)	-	-	-	-	-	-
At December 31,	85,960,000	47,130,000	-	-	85,960,000	47,130,000	-	-	-	-	-	-
Sub-ordinated Sukuks												
At January 1,	210,000	210,000	-	-	210,000	210,000	-	-	-	-	-	-
Issued / purchased during the year	-	-	-	-	-	-	-	-	-	-	-	-
Redemption / sold during the year	-	-	-	-	-	-	-	-	-	-	-	-
At December 31,	210,000	210,000	-	-	210,000	210,000	-	-	-	-	-	-
Other Liabilities												
Profit payable on musharakah acceptance	1,049,943	256,364	-	-	1,049,943	256,364	-	-	-	-	-	-
Payable to defined benefit plan	2,624,413	2,153,351	-	-	-	-	-	-	1,225,685	808,528	1,398,728	1,344,823
Accrued expenses / Advance Rental	22,559	4,550	9,600	2,200	-	-	2,100	2,350	10,859	-	-	-
Unearned income	9,539	-	-	-	9,539	-	-	-	-	-	-	-
Contingencies and Commitments												
Letters of credit (unfunded)	-	-	-	-	-	-	-	-	-	-	-	-
Letters of guarantee (unfunded)	2,500,100	100	100	100	2,500,000	-	-	-	-	-	-	-
Income												
Profit earned on financing / investments / placements	4,821	2,361,062	-	-	-	2,357,134	-	-	4,821	3,928	-	-
Fees and commission income earned	963,790	1,197,714	785,278	600,945	178,221	596,428	33	32	151	217	107	92
Dividend income	1,653,428	1,563,712	1,592,500	1,227,850	60,928	335,862	-	-	-	-	-	-
Net gain on sale of securities	22	4,031	-	-	22	4,031	-	-	-	-	-	-
Expenses												
Return on deposits / acceptance expensed	4,042,730	2,495,723	20,419	37,076	3,836,951	2,334,209	3,707	5,074	8,759	12,119	172,894	107,245
Recovery of expenses	27,042	71,824	27,042	71,824	-	-	-	-	-	-	-	-
Charge for defined benefit plan	1,398,728	1,344,823	-	-	-	-	-	-	-	-	1,398,728	1,344,823
Contribution to defined contribution plan	1,032,106	856,545	-	-	-	-	-	-	-	-	1,032,106	856,545
Contribution to staff benevolent fund	143,306	114,294	-	-	-	-	-	-	-	-	143,306	114,294
Fees expensed	35,723	33,246	33,786	31,437	1,937	1,809	-	-	-	-	-	-
ECL - net	(5)	3,601	(8)	32	(4)	3,564	-	-	7	5	-	-
Charity paid	110,000	92,500	-	-	-	4,000	-	-	-	-	110,000	88,500
Purchase of fixed assets	-	32,845	-	-	-	32,845	-	-	-	-	-	-
Remuneration to key management personnel	1,908,893	898,861	-	-	-	-	-	-	1,908,893	898,861	-	-
Fee to non-executive directors (note 43)	58,940	65,430	-	-	-	-	58,940	65,430	-	-	-	-
Proceed from the issuance of shares under employees shares option scheme	8,491	9,431	-	-	-	-	-	-	8,491	9,431	-	-
Proceeds from sale of fixed assets	-	7,261	-	-	-	-	-	-	-	7,261	-	-

Balances pertaining to parties that were related at the beginning of the year but ceased to be related during any part of the current year are not reflected as part of the closing balance. However, new related parties have been added during the year. The same are accounted for through the movement presented above.

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48 CAPITAL-ASSESSMENT AND ADEQUACY BASEL SPECIFIC

Capital structure

The State Bank of Pakistan (SBP) introduced updated guidelines with respect to disclosure of capital adequacy related information in the financial statements of banks vide its communication dated November 5, 2014. These guidelines are based on the requirements of Basel III which were introduced earlier by the SBP in August 2013 for implementation by banks in Pakistan. The SBP had specified a transitional period for implementing new standards which came to its end on December 31, 2019. The disclosures below have been prepared on the basis of these new guidelines. The comparative information is as per requirements.

48.1 Capital structure

Under Basel III framework, the Bank's regulatory capital has been analysed into two tiers as follows:

- Tier 1 capital (going concern capital) which is sub divided into:
 - a) Common Equity Tier 1 (CET1), which includes fully paid up capital, balance in share premium account, statutory and general reserves, and un-appropriated profits (net of losses), after regulatory deductions for book value of intangibles, reciprocal cross holdings, investment in own shares.
 - b) Additional Tier 1 capital (AT1), which includes perpetual, unsecured, subordinated, non-cumulative and contingent convertible sukuk instrument issued by the Bank.
- Tier II capital, which includes sub-ordinated sukuks, general provisions for financing losses (up to a maximum of 1.25% of credit risk weighted assets) and surplus on revaluation of assets - net of tax.

Banking operations are categorised in either the trading book or the banking book and risk weighted assets are determined according to the specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

The required capital adequacy ratio is achieved by the Bank through:

- (a) Adequate level of paid up capital;
- (b) Adequate risk profile of asset mix;
- (c) Ensuring better recovery management; and
- (d) Maintaining acceptable profit margins.

48.2 Capital adequacy ratio

The main objective of the capital management is to improve the financial position and strengthen the statement of financial position of the Bank to support the growth in business, provide protection to depositors and enhance shareholders' value.

The Bank's Board and the management is committed to maintaining a sound balance between depositors' liability and shareholders' funds so that optimal capital / debt ratio is maintained. The optimal capital / debt ratio will provide reasonable assurance to depositor's about safety and security of their funds and at the same time provide impetus to the management to invest their depositors' funds into profitable ventures without compromising the risk profile of the Bank. The capital requirement of the Bank has been determined based on the projected growth plan to be achieved in the next 3 years in all areas of business operations.

The Bank prepares Annual Budget and Three Year Plan for purpose of the growth map and future direction. Bottom up approach is used to prepare annual budget and detailed deliberations are held while preparing Three Year Plan. The growth prospects takes into consideration prevailing economic and political factors in Pakistan and abroad.

In implementing current capital requirements the State Bank of Pakistan requires banks to maintain minimum Capital Adequacy Ratio (CAR) of 11.50% as of December 31, 2025 whereas CAR of the Bank stood at 19.20%.

The Bank calculates risk weighted assets for credit risk, market risk and operational risk based upon requirements under Basel Accord as per guidelines issued by the State Bank of Pakistan from time to time.

Sensitivity and stress testing of the Bank under different risk factors namely yield rate, forced sale value of collateral, non-performing financings and foreign exchange rate depicts that the Bank's capital adequacy ratio is above the regulatory requirements.

The Bank has taken into account credit risk, market risk and operational risk as important factors while planning its assets.

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

49 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2025	2024
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	18,005,546	17,947,407
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	261,159,000	221,804,077
Eligible Additional Tier 1 (ADT 1) Capital	7,000,000	7,000,000
Total Eligible Tier 1 Capital	268,159,000	228,804,077
Eligible Tier 2 Capital	36,676,439	47,135,239
Total Eligible Capital (Tier 1 + Tier 2)	304,835,439	275,939,316
Risk weighted assets (RWAs):		
Credit Risk	984,506,336	880,323,774
Market Risk	74,813,511	36,391,197
Operational Risk	528,664,481	439,129,711
Total	1,587,984,328	1,355,844,682
Common Equity Tier 1 Capital Adequacy ratio	16.45%	16.36%
Tier 1 Capital Adequacy Ratio	16.89%	16.88%
Total Capital Adequacy Ratio	19.20%	20.35%
Leverage ratio (LR):		
Eligible Tier-1 Capital	268,159,000	228,804,077
Total Exposures	5,151,309,338	4,186,333,675
Leverage Ratio	5.21%	5.47%
Liquidity coverage ratio (LCR):		
Total High Quality Liquid Assets	2,007,784,674	1,320,749,145
Total Net Cash Outflow	639,582,984	433,217,397
Liquidity Coverage Ratio	314%	305%
Net stable funding ratio (NSFR):		
Total Available Stable Funding	3,170,842,648	2,572,046,020
Total Required Stable Funding	1,613,365,501	1,453,475,186
Net Stable Funding Ratio	197%	177%

49.1 Full disclosure on Capital Adequacy, Leverage Ratio & Liquidity Requirements prepared as per SBP instructions is available at [http:// www.meezanbank.com](http://www.meezanbank.com)

50 RISK MANAGEMENT

Economic fundamentals improved and political uncertainty showed a decline during 2025. Stability in FX reserves, exchange rate and decline in policy rate were the major contributor to the overall improvement in economic situation. During the year, SBP decreased the benchmark interest rate by a cumulative 250 bps to 10.5%. This steep decrease was due to decline in headline inflation to 5.6% only in December 2025 resulting in ample cushion for SBP to focus on monetary easing. Stock market showed robust growth as benchmark index grew by 51% in 2025. However, fiscal policy remains a key challenge for the government to generate additional revenue. Sustainable fiscal measures along with external support from IMF and other sources will be the key determinant for the economy in the future.

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For The Year Ended December 31, 2025

The Bank is regularly conducting assessments of the credit portfolio, with robust post disbursement credit review mechanism to identify borrowers most likely to be affected in the challenging business and economic environment. Bank is confident that it has more than sufficient risk bearing capacity to with stand these difficult times.

The wide variety of the Bank's business activities require the Bank to identify, assess, measure, aggregate and manage risks effectively which are constantly evolving as the business activities expand in response to the Bank's strategy and growth. The Bank manages the risk through a framework of risk management encompassing policies and procedures, organisational structures, risk measurement and monitoring processes and techniques that are closely aligned with business activities of the Bank.

Risk management principles

- The Board of Directors (the Board) provides overall risk management supervision. The Board Risk Management Committee regularly reviews the Bank's risk profile.
- The Bank has set up objectives and policies to manage the risks that arise in connection with the Bank's activities. The risk management framework and policies of the Bank are guided by specific objectives to ensure that comprehensive and adequate risk management tools and techniques are established to mitigate the salient risk elements in the operations of the Bank.
- The establishment of the overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent risk management framework.
- The structure of risk management function is closely aligned with the organisational structure of the Bank.
- The risk management function is independent of the Bank's operations.

Risk management organisation

The Board Risk Management Committee comprises of four non-executive directors. One of the non-executive directors of the Bank chairs the Risk Management Committee.

Specialized Committees comprising of Senior Management team members perform their functions in line with the strategic direction set by the Board while ensuring that there is optimal balance between risk reward trade-off. The Committees include:

Name of the sub-committee	Chaired by
Credit Risk Management Committee (CRMC)	President & CEO
Asset and Liability Management Committee (ALCO)	President & CEO
Compliance and Operational Risk Management Committee (CORMC)	President & CEO

CRMC is responsible to oversee credit risk activities on Bank wide basis while ensuring compliance with regulatory requirements and internal policies. Its responsibilities also include to provide support and guide front lines in managing their businesses, perform finance portfolio review, establish financing standards and benchmarks, maintain adequate industry diversification and decide upon provisioning. It is also required to delegate financing approving powers & prudential limits on large financing exposures. Credit Committee is the highest level body for approval of financing transactions.

ALCO is responsible for reviewing the Asset and Liability structure of the Bank, monitoring the liquidity situation and overall changing market scenario. Market and Liquidity risks are examined based on stress testing exercises and gap analysis. ALCO is also responsible for monitoring policy rate movements and taking necessary steps across various products to ensure that the overall profitability of the Bank is maximized without compromising on risk appetite. ALCO also ensures that the Banks' overall operations are fully compliant with regulatory framework for the business as provided by the State Bank of Pakistan.

The CORMC is responsible for overseeing compliance risk by reviewing the adequacy of controls in place to meet regulatory requirements. The Committee is responsible for promoting compliance culture in the Bank, facilitate in implementation of Compliance Program and oversee Money Laundering, Financing of Terrorism and Proliferation risk. In addition, the Committee also oversees Operational Risk Framework by ensuring that policies and procedures are in place in all Key Risk areas and by reviewing Key Risk Indicators. The Committee also monitors level of compliance of major unresolved and recurring issues pointed out in the Internal Audit, Shariah Audit and SBP assessment Report.

The Bank's compliance, internal audit and legal functions to name a few support the risk management function in performing its roles and responsibilities. The role of the risk management group is to assess, measure, identify risks and established risk mitigants through a detailed policy and monitoring framework. The compliance department ensures that all the directives and guidelines issued by the SBP are being complied with in order to mitigate the compliance risk. The internal audit and BRR department reviews the compliance of internal control procedures with internal and regulatory standards.

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

50.1 Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligations is impaired resulting in economic loss to the Bank. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

Credit risk management and structure

The Bank manages credit risk by effective credit appraisal mechanism, approving and reviewing authorities, limit structures, internal credit risk rating system, collateral management and post disbursement monitoring so as to ensure prudent financing activities and sound financing portfolio under the umbrella of a comprehensive Financing Policy approved by the Board of Directors. A comprehensive financing procedural manual approved by the senior management is also in place. The Bank also ensures diversification of its portfolio into different business segments, products and sectors. Further, 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.

Watchlist procedure is also functioning which identifies financings with early warning indicators in respect of clients which may become non-performing. The risk management function also monitors the non-performing financing portfolio of the Bank and reports all significant matters to the Board Risk Management Committee.

The Bank takes into account the risk mitigating effect of the eligible collaterals for the calculation of capital requirement for credit risk.

50.1.1 Methodologies and models used for the measurement of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD)

50.1.1.1 IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1:	When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and they have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure at Default (EAD) and multiplied by the expected Loss Given Default (LGD) and discounted by an approximation to the original Effective Profit Rate (EIR). This calculation is made for all the scenarios.
Stage 2:	When a financial instrument has shown a Significant Increase in Credit Risk (SICR) since origination, the Bank records an allowance for the LTECLs. Stage 2 also include facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but Probability of Default (PD) are applied over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EPR.
Stage 3:	For financial instruments considered credit-impaired, the Bank recognises the lifetime expected credit losses for these instruments. The Bank uses a PD of 100% and LGD as computed for each portfolio. This is then compared with allowance computed under SBP Prudential Regulations and higher of the two amounts is taken as the allowance for credit-impaired instrument.
Purchased or originated credit impaired (POCI):	POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit / rental is subsequently recognised based on approximation to a credit-adjusted effective profit rate. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.
Undrawn financing commitments	When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the financings is drawn down, based on a probability-weighting of the three scenarios.

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For The Year Ended December 31, 2025

Guarantee and letters of credit	The Bank estimates ECLs based on the BASEL driven Credit Conversion Factor (CCF) for guarantee and letter of credit. The calculation is made using a probability-weighting of the three scenarios. The ECLs is recognised within other liabilities.

50.1.1.2 Forward looking information

In the ECL models, the Bank relies on a range of forward looking information as economic inputs, such as:

- GDP growth
- Volume of exports of goods
- Consumer price index
- Unemployment rate

50.1.1.3 The calculation of ECLs

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI, undrawn financing commitments, guarantee and letter of credits is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), discounted at an approximation to the EPR, defined as follows:

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk (note 50.1.1.6.1);
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of portfolio and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EPR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

To assess whether there is a significant increase in the credit risk, the Bank compares the risk of a default occurring on the Islamic financing and related assets and off-balance sheet obligations as at the reporting date with the risk of default as at the date of initial recognition.

50.1.1.4 The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD	The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). PDs for non-rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
EAD	The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued profit from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. The Bank's product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behaviour, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

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LGD The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. Bank has estimated segment wise LGDs for Corporate / Commercial, SME & Agri Portfolio as well as product wise LGDs for House Finance, Car Ijarah, Bike Ijarah and Consumer ease. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money.

The Bank has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs, through use of term structure of Point in time PDs.

50.1.1.5 ECL Principles, Grouping and Calculations

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

The discount rate used to discount the ECLs is based on the effective profit rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective profit rate (at reporting date), the Bank uses an approximation e.g. contractual rate (at reporting date).

Effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When estimating the ECLs, the Bank considers three scenarios (base case, best case, worst case). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted financing are expected to be recovered, including the probability that the financing will cure and the value of collateral or the amount that might be received from selling the asset.

The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability; and
- History of enforceability and recovery.

The Bank's management has only considered cash, liquid securities, gold, and Government of Pakistan guarantees as eligible collaterals in the LGD calculation. All of these collaterals have a 0% haircut other than equity securities where haircut of 15% is applied.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

The SBP has issued FAQs in its BPRD Circular Letter No. 16 dated July 29, 2024 with regard to certain interpretation of the SBP application instructions. In respect of Stage 3 provision, the SBP has clarified that the banks, while assessing the higher of IFRS 9 ECL and provision under the SBP Prudential Regulations, shall take into account the ECL against corporate / commercial / SME islamic financing and related assets portfolios at the borrower / facility level, and for the retail borrowers at segment / product basis.

50.1.1.6 ECL Modeling and staging criteria / Significant increase in ECLs / Cooling off criteria and movement between stages

50.1.1.6.1 Significant increase in credit risk (SICR)

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure (including profit accrued) to have significantly increased in credit risk when:

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Quantitative criteria

- The Bank considers that there has been a significant increase in credit risk when contractual payments are more than specified days.

Qualitative criteria

- whether there has been a significant increase in credit risk since initial recognition based on internal ratings.
- The customer / facility has been placed on the watchlist rating.

For all the balances with other banks (local / foreign), due from FIs and sovereign exposures (in foreign currency), external ratings falling below specified rating grade shall be considered as SICR and the exposure will be classified in stage 2.

Exposure below specified rating grade, at origination, will be considered in stage 2.

50.1.16.2 Cooling off criteria

A customer classified as stage 2 will move to stage 1 if the following criteria is met and it does not meet SICR indicators at the reporting date.

Reason for classification	Move to Stage 1 when
Delinquency	Counterparty should not be delinquent as at reporting date. **
Restructured / rescheduling	Customer is regular as per Prudential Regulations for customers classified as Non-performing financing. *
Risk rating	As per the revised rating, the customer does not fall in the criteria of downgrading to Stage 2. *

*A minimum cooling period is required, from meeting the relevant criteria, before any financial asset is moved back to Stage 1

**A minimum cooling period or next payment made on due date, whichever is later, from meeting the relevant criteria has lapsed / occurred before customer is moved back to Stage 1.

As a general rule, the underlying facility must have become regular, should be current and no longer meets the definition of credit impaired or is in default before it can be reclassified back from Stage 3.

Any upgrading of non-performing exposure to a performing status must be subject to a cooling off period of 3 months. However, for financings classified as non-performing, cooling off period and other conditions specified in PRs will have to be complied with. If the facility has been regular doing cooling off period, it will move back to stage 2 after which the criteria for moving from stage 1 to stage 2 will be applied.

50.1.2 Segmental information

50.1.2.1 Due from financial institutions

Credit risk by public / private sector

	Gross amount due from financial institutions		Non-performing amount due from financial institution		Credit loss allowance (Stage 3)					
					Stage 3		Stage 2		Stage 1	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Public / Government	-	-	-	-	-	-	-	-	-	-
Private	12,340,916	34,979,799	15,500	15,500	15,500	15,500	178	-	13	-
	12,340,916	34,979,799	15,500	15,500	15,500	15,500	178	-	13	-

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50.1.2.2 Investment in debt securities

Credit risk by industry sector	Gross investments*		Non-performing investments		Credit loss allowance					
					Stage 3		Stage 2		Stage 1	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Chemical and pharmaceuticals	363,636	417,650	-	17,650	-	17,650	-	-	1,300	1,754
Construction and allied industries	83,333	656,961	-	-	-	-	-	-	2,949	2,578
Steel and allied industries	315,750	790,750	272,000	272,000	272,000	272,000	-	-	29	455
Federal Government Securities	2,533,511,769	1,684,524,164	-	-	-	-	-	-	-	-
Financial	1,009,383	992,150	-	-	-	-	-	-	-	-
Foreign Government Securities	9,969,644	3,194,577	-	-	-	-	-	-	1,042	326
Oil and Gas	-	-	-	-	-	-	-	-	-	-
Power (electricity)	10,390,736	125,872,393	-	-	-	-	-	-	144	103
Textile	41,319	50,000	41,319	50,000	41,319	50,000	-	-	-	-
	2,555,685,570	1,816,498,645	313,319	339,650	313,319	339,650	-	-	5,464	5,216
Credit risk by public / private sector										
Public / Government	2,552,283,698	1,812,756,999	-	-	-	-	-	-	-	-
Private	3,401,872	3,741,646	313,319	339,650	313,319	339,650	-	-	5,464	5,216
	2,555,685,570	1,816,498,645	313,319	339,650	313,319	339,650	-	-	5,464	5,216

*This includes debt securities carried at FVTPL, government and government guaranteed debt securities on which ECL has not been calculated.

50.1.2.3 Islamic financing and related assets

Credit risk by industry sector	Gross Islamic financing and related assets*		Non-performing Islamic financing and related assets		Credit loss allowance / provision					
					Stage 3		Stage 2		Stage 1	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Agriculture, food, feed mills, poultry, dairy, forestry and fishing	212,817,521	133,316,192	2,594,375	2,679,877	2,571,779	2,644,356	4,019	6,187	176,664	165,479
Automobile and transportation equipment	59,536,545	45,697,887	238,736	344,085	238,736	345,149	11,933	22,132	101,221	68,102
Cement	25,013,605	45,026,273	-	-	-	-	-	19	15,855	34,621
Chemical and pharmaceuticals	72,637,357	159,880,403	16,908	148,928	16,908	148,928	145,944	62,485	116,757	106,063
Construction	30,972,963	20,595,402	7,191,929	4,606,743	5,918,114	4,099,676	1,354	5,831	56,331	20,419
Steel and allied industries	23,271,306	26,470,006	2,464,930	2,810,118	2,464,572	2,807,552	2,219	5,957	21,648	24,834
Plastic products manufacturer	14,584,074	9,240,192	-	-	-	-	-	12	38,463	16,879
Electronics and electrical appliances	13,507,813	16,311,149	1,331,600	1,170,124	1,331,600	1,250,000	42,177	33,803	36,910	33,777
Exports / imports	3,395,098	3,384,827	143,759	148,939	143,759	148,939	-	-	1,448	4,231
Fertilizer	95,102,553	82,111,061	85,753	-	43,127	-	354	96	49,483	34,761
Financial	13,249,970	4,948,349	-	-	-	-	9,241	-	16,370	15,560
Footwear and leather garments	4,343,520	4,131,641	-	-	-	-	588	901	15,673	19,177
Individuals	74,264,067	57,323,811	1,381,881	2,009,082	992,478	1,528,150	49,325	65,743	95,373	100,189
Takaful / insurance	641,418	303,506	-	-	-	-	-	-	1,925	625
Mining and quarrying	11,851,565	11,867,305	-	-	-	-	32	78	18,513	18,588
Oil and gas	255,626,695	153,533,353	3,388,772	4,274,351	3,381,910	4,247,410	1,531,429	-	183,073	333,261
Paper, board and packaging	37,106,741	42,934,811	95,734	138,716	93,719	136,701	291,020	-	66,833	196,275
Power (electricity)	206,999,385	114,931,497	691,953	723,741	691,953	723,741	-	23	295,318	356,115
Services	20,014,815	71,589,449	24,504	38,172	23,861	37,179	4,176	1,695	27,824	33,346
Sugar	45,845,113	45,760,196	-	-	-	-	1,527	88,364	136,750	109,794
Textile	277,566,356	335,166,388	10,679,867	5,418,806	7,837,483	5,127,683	875,478	849,322	468,506	614,008
Transport, storage and communication	121,854,716	116,393,259	119,925	101,008	58,874	54,190	327	357,796	412,703	223,187
Wholesale and retail trade	50,851,558	40,423,485	440,266	616,445	378,126	574,462	40,435	10,516	65,442	61,217
Others	15,212,053	15,021,876	127,231	14,038	87,323	10,962	1,176	456	25,850	19,380
	1,686,266,807	1,556,362,318	31,018,123	25,243,173	26,274,322	23,885,078	3,012,754	1,511,416	2,444,933	2,609,888

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Credit risk by public / private sector	Gross Islamic financing and related assets*		Non-performing Islamic financing and related assets		Credit loss allowance / provision					
					Stage 3		Stage 2		Stage 1	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Public / Government	447,959,601	205,613,298	-	-	-	-	1,521,770	-	282,664	371,416
Private	1,238,307,206	1,350,749,020	31,018,123	25,243,173	26,274,322	23,885,078	1,490,984	1,511,416	2,162,269	2,238,472
	<u>1,686,266,807</u>	<u>1,556,362,318</u>	<u>31,018,123</u>	<u>25,243,173</u>	<u>26,274,322</u>	<u>23,885,078</u>	<u>3,012,754</u>	<u>1,511,416</u>	<u>2,444,933</u>	<u>2,609,888</u>

*This includes government guaranteed exposures on which ECL has not been calculated.

50.1.2.4 Contingencies and Commitments

Credit risk by industry sector

	2025	2024
	Rupees in '000	
Agriculture, food, feed mills, poultry, dairy, forestry and fishing	197,011,173	297,756,074
Automobile and transportation equipment	93,152,922	69,356,050
Cement	48,934,179	6,536,861
Chemical and pharmaceuticals	66,647,850	70,034,097
Construction	22,205,337	27,649,036
Steel and allied industries	31,548,867	38,296,453
Plastic products manufacturer	7,177,258	6,943,853
Electronics and electrical appliances	25,270,597	32,843,317
Exports / imports	11,313,006	5,850,793
Fertilizer	57,053,259	57,058,348
Financial	398,752,094	359,863,485
Footwear and leather garments	34,250,940	13,687,367
Individuals	513,913	6,151,547
Takaful / insurance	794,564	700,301
Mining and quarrying	6,451,355	8,657,743
Oil and gas	47,455,869	127,972,685
Paper, board and packaging	25,202,442	19,897,951
Power (electricity)	174,111,663	107,419,860
Services	84,092,254	93,249,990
Sugar	45,107,510	43,980,208
Textile	266,812,484	277,966,253
Transport, storage and communication	128,631,787	14,014,447
Wholesale and retail trade	42,305,121	171,667,604
Others	21,392,549	33,128,476
	<u>1,836,188,993</u>	<u>1,890,682,799</u>
Credit risk by public / private sector		
Public / Government	277,247,066	300,512,632
Private	1,558,941,927	1,590,170,167
	<u>1,836,188,993</u>	<u>1,890,682,799</u>

50.1.2.5 Concentration of Islamic financing and related assets

The Bank top 10 exposures on the basis of total (funded and non-funded) exposures aggregated to Rs. 627,389 million (2024: Rs. 541,432 million) as follows:

	2025	2024
	Rupees in '000	
Funded exposure	521,302,528	444,479,159
Non funded exposure	106,086,813	96,952,716
Total exposure	<u>627,389,341</u>	<u>541,431,875</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 762,573 million (2024: Rs. 631,523 million). None of the exposure against these top 10 customers is in classified stage.

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50.1.2.6 Islamic Financings and related assets - Province/Region-wise Disbursement & Utilisation

Province / Region	2025						
	Disbursements			Utilisation			
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
	Rupees in '000						
Punjab	1,336,605,945	1,336,605,945	-	-	-	-	-
Sindh	1,288,655,538	-	1,288,655,538	-	-	-	-
KPK including FATA	24,699,309	-	24,699,309	-	-	-	-
Balochistan	4,483,212	-	-	4,483,212	-	-	-
Islamabad	287,579,912	-	-	-	287,579,912	-	-
AJK including Gilgit-Baltistan	126,224	-	-	-	-	-	126,224
Total	2,942,150,140	1,336,605,945	1,288,655,538	24,699,309	4,483,212	287,579,912	126,224

Province / Region	2024						
	Disbursements			Utilisation			
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
	Rupees in '000						
Punjab	1,130,141,028	1,130,141,028	-	-	-	-	-
Sindh	1,916,969,747	-	1,916,969,747	-	-	-	-
KPK including FATA	18,650,934	-	18,650,934	-	-	-	-
Balochistan	3,922,278	-	-	3,922,278	-	-	-
Islamabad	225,913,434	-	-	-	225,913,434	-	-
AJK including Gilgit-Baltistan	292,578	-	-	-	-	-	292,578
Total	3,295,889,999	1,130,141,028	1,916,969,747	3,922,278	225,913,434	-	292,578

50.1.3 Credit Risk - General Disclosures

The Bank has adopted Standardised Approach of Basel Accord for calculation of capital charge against credit risk. Therefore, risk weights for the credit risk related assets (on-balance sheet and off-balance sheet - market and non market related exposures) are assigned on basis of standardised approach.

50.1.3.1 Credit Risk: Disclosures for portfolio subject to the Standardised Approach

Under standardised approach the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognised by the SBP for capital adequacy purposes. In this connection, the Bank utilises the credit ratings assigned by ECAIs and has recognised agencies such as PACRA (Pakistan Credit Rating Agency) and VIS Credit Rating Company which are also recognised by the SBP.

In case of foreign currency exposures against banks, ratings assigned by S&P, Fitch and Moody's have been applied.

Types of Exposure and ECAI's used

Exposures	2025				
	VIS	PACRA	Standard & Poor's	Fitch	Moody's
Corporate	✓	✓	✓	✓	✓
Banks	✓	✓	✓	✓	✓
Public Sector Entities	✓	✓	-	-	-
Sovereign	-	-	✓	✓	✓

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Use of ECAI Ratings

The Bank prefers solicited ratings over unsolicited ratings at all times, owing to the greater degree of accuracy (in general) associated with solicited ratings. Unsolicited ratings may only be used in cases where a solicited rating is not available.

Mapping to SBP Rating Grades

The alignment of the Alphanumerical scale of each agency is mapped with risk buckets in accordance with instructions laid down by SBP under Basel II requirements.

5013.2 Credit exposures subject to standardised approach

On-balance sheet Exposures	2025			2024		
	Amount Outstanding	Deduction Credit Risk Management	Net amount	Amount Outstanding	Deduction Credit Risk Management	Net amount
Rupees in '000						
Banks						
20%	27,143,501	-	27,143,501	62,780,856	39,424,000	23,356,856
50%	5,391,428	-	5,391,428	282,059	-	282,059
100%	-	-	-	-	-	-
150%	23,418	-	23,418	4,355	-	4,355
Unrated	1,760,037	-	1,760,037	1,148,637	-	1,148,637
Sovereigns						
0%	2,465,897,274	116,899,913	2,349,114,421	1,960,345,353	1,514,780	1,958,830,573
20%	6,026,325	-	6,026,325	1,750,660	-	1,750,660
50%	2,842,061	-	2,842,061	1,393,730	-	1,393,730
100%	-	-	-	-	-	-
Unrated	-	-	-	-	-	-
150%	1,652,784	-	1,652,784	700,757	-	700,757
Public Sector entities						
20%	218,850,375	56,555,052	162,295,323	126,613,161	18,347,884	108,265,277
50%	-	-	-	-	-	-
Unrated (50%)	115,745,226	63,066,537	52,678,689	226,369,469	167,386,120	58,983,349
Corporate						
20%	489,867,899	33,869,844	455,998,055	542,398,591	76,767,886	465,630,705
50%	210,568,231	6,249,158	204,319,074	230,726,307	12,864,659	217,861,648
100%	3,109,012	72,274	3,036,738	3,401,688	73,621	3,328,067
Unrated 1 (100%)	268,354,420	9,621,088	258,733,331	176,543,618	5,474,552	171,069,066
Unrated 2 (125%)	152,835,298	10,245,354	142,589,944	309,699,314	154,789,048	154,910,266
Retails						
75%	92,375,219	23,102,195	69,273,024	82,012,781	11,587,796	70,424,985
Residential Mortgage						
35%	21,984,334	-	21,984,334	17,864,406	-	17,864,406
25%	5,036,085	2,001,290	3,034,794	5,597,886	2,239,026	3,358,860
Past Due						
50%	1,965,698	77,351	1,888,347	1,026,043	167,841	858,202
100%	2,994,454	39,727	2,954,727	965,434	11,812	953,622
150%	37,008	6,735	30,273	165,996	58,617	107,379
Others (0% - 250%)	146,665,934	-	146,548,874	146,382,785	-	146,382,785
Total	4,241,126,021	321,806,518	3,919,319,502	3,898,173,886	490,707,642	3,407,466,244

Notes to and Forming Part of the Unconsolidated Financial Statements

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50.1.3.3 Credit Risk: Disclosures with respect to Credit risk mitigation for Standardised approach and IRB

The Bank obtains capital relief for both its on-balance and off-balance sheet non-market related exposures by using simple approach for Credit Risk Mitigation (CRM). Off-balance sheet items under the simplified standardised approach are converted into credit exposure equivalents through the use of credit conversion factors. Under the standardised approach the Bank has taken advantage of the cash collaterals available with the Bank in the form of security deposits, cash margins, certificates of Islamic investment, monthly mudaraba certificate, saving accounts, guarantees and Government securities.

The credit equivalent amount of an off-balance sheet market related foreign exchange contracts are determined by using the current exposure (mark to market) method.

The total benefit of Rs. 321,806.518 million was availed through CRM against total on-balance sheet exposure of Rs. 4,241,126.021 million. Under off-balance sheet, total benefit of Rs. 13,123.889 million was availed by the Bank through CRM against total off-balance sheet, non-market related exposure of Rs. 1,455,469.680 million. In the year 2025, total CRM benefit was Rs. 334,930.407 million as against amount of Rs. 511,583.192 million in year 2024.

50.1.3.4 Credit concentration risk

Credit concentration risk arises mainly due to concentration of exposures under various categories viz., industry, geography, and single / group borrower obligor. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single and group obligors. Within the SBP limits, the Bank has further defined limits to avoid excessive concentration of portfolio.

50.2 Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects yield rate risk, currency risk and other price risks. Banks could be adversely affected by movements in market rates or prices such as benchmark rates, deposit rates, foreign exchange rates, equity prices and market conditions resulting in a loss to earnings and capital.

50.2.1 Equity position in the banking and trading book

The Bank classifies and values its investment portfolio in accordance with the IFRS 9 and SBP directives as stated in note 6.2 to these unconsolidated financial statements.

Trading book

FVTPL / held for trading and FVOCI / available for sale securities;

- They are marked to market daily; and
- Any valuation difference is charged / credited to the unconsolidated statement of profit and loss account in case of FVTPL securities and to surplus on revaluation of investments - net of tax under equity in case of FVOCI securities.

FVOCI portfolio will gradually be made part of the trading book in compliance with regulatory requirements.

Banking book

Assets outside trading book are part of the banking book. These may include assets classified as FVOCI and Amortised Cost.

50.2.2 Balance sheet split by trading and banking books

	2025			2024		
	Banking Book	Trading Book	Total	Banking Book	Trading Book	Total
Rupees in '000						
Cash and balances with treasury banks	330,542,818	-	330,542,818	260,734,258	-	260,734,258
Balances with other banks	15,388,174	-	15,388,174	13,424,950	-	13,424,950
Due from financial institutions	12,325,225	-	12,325,225	34,964,299	-	34,964,299
Investments	2,031,121,170	565,715,970	2,596,837,140	1,853,384,027	17,151,593	1,870,535,620
Islamic financings and related assets	1,640,934,798	-	1,640,934,798	1,514,755,936	-	1,514,755,936
Property and equipment	50,038,251	-	50,038,251	46,847,734	-	46,847,734
Right-of-use assets	21,777,193	-	21,777,193	21,230,197	-	21,230,197
Intangible assets	3,429,762	-	3,429,762	2,896,880	-	2,896,880
Deferred tax asset	-	-	-	-	-	-
Other assets - net	135,287,558	-	135,287,558	136,683,257	-	136,683,257
	4,240,844,949	565,715,970	4,806,560,919	3,884,921,538	17,151,593	3,902,073,131

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The Bank uses a number of methods to monitor and control market risk exposures. One of the major tools used by the Bank to monitor and limit market risk is Value at Risk (VaR). VaR is defined as the estimated loss that will arise on a position or a portfolio over a particular (holding) period of time from an adverse market movement with a specific probability (confidence level). The VaR model used by the Bank takes 99% confidence level and assumes a 1 to 10 days holding period whilst using the historical simulation taking the data of the last three years. Daily VaR figures are circulated to the senior management and regular summaries are reported in ALCO meetings.

The VaR reports are complemented by various other position and sensitivity limit structures, including stress, sensitivity, gap and scenario analysis. The capital charge for market risk has been calculated by using Standardised Approach.

50.2.3 Foreign exchange risk

The foreign exchange risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position. The objectives of the foreign exchange risk management is to minimise the adverse impact of foreign exchange rate movements on the assets and liabilities mismatch (tenor and position) and maximise their earnings.

Whenever a commercial bank deals in foreign currency, it is exposed to risk of exchange rate. The Bank's assets and liabilities in foreign currencies give rise to foreign exchange risk which has to be managed by the Bank; this risk is mitigated by using different hedging techniques. Hedging is a way used by a bank to eliminate or minimize its risk exposures. Hedging can be done using different ways like gap analysis, hedging (forwards), assigning limits in terms of amount, tenor, currency, product, countries, counterparties etc. The Bank limits its currency exposure to the extent of statutory net open position prescribed by the SBP except in the cases where exemption is provided by the SBP. Foreign exchange open and mismatch positions are controlled through close monitoring and are marked to market on a daily basis.

The analysis below represents the concentration of the Bank's foreign currency risk for on and off balance sheet financial instruments:

	2025			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	Rupees in '000			
Pakistan Rupees	4,628,485,675	4,325,333,720	(20,989,966)	282,161,989
United States Dollars	161,785,633	170,698,759	5,529,360	(3,383,766)
Great Britain Pounds	1,777,916	10,658,744	8,927,368	46,540
Japanese Yen	121,304	44,524	(78,725)	(1,945)
Euro	3,395,934	10,387,065	7,139,352	148,221
Singapore Dollars	38,336	17,189	-	21,147
Australian Dollars	373,471	98,580	(262,226)	12,665
Canadian Dollars	11,423	545	-	10,878
United Arab Emirates Dirham	117,024	11	-	117,013
Swiss Francs	10,614	-	(24,726)	(14,112)
Saudi Riyal	90,293	12,295	-	77,998
Swedish Krona	10,015	-	-	10,015
Malaysian Ringgit	7,516	-	-	7,516
Hong Kong Dollar	12,439	-	-	12,439
Thailand Bhat	-	-	-	-
Norwegian Krone	9,815	-	-	9,815
Danish Krone	12,735	-	-	12,735
Chinese Yuan	10,300,776	10,052,364	(240,437)	7,975
Total foreign currency exposure	178,075,244	201,970,076	20,989,966	(2,904,866)
Total currency exposure	4,806,560,919	4,527,303,796	-	279,257,123

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	2024			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	Rupees in '000			
Pakistan Rupees	3,756,819,709	3,462,701,384	(47,003,140)	247,115,185
United States Dollars	136,644,711	171,859,704	34,842,683	(372,310)
Great Britain Pounds	2,299,513	9,306,689	7,116,176	109,000
Japanese Yen	42,820	18,334	(30,318)	(5,832)
Euro	3,178,933	8,576,231	5,469,787	72,489
Singapore Dollars	19,912	10,742	-	9,170
Australian Dollars	434,485	186,640	(242,542)	5,303
Canadian Dollars	-	21,543	-	(21,543)
United Arab Emirates Dirham	327,202	338,835	-	(11,633)
Swiss Francs	9,947	51	-	9,896
Saudi Riyal	47,386	10,543	-	36,843
Swedish Krona	4,408	-	-	4,408
Malaysian Ringgit	4,888	3	-	4,885
Hong Kong Dollar	2,056	-	-	2,056
Thailand Bhat	610	-	-	610
Norwegian Krone	5,161	-	-	5,161
Danish Krone	10,772	-	-	10,772
Chinese Yuan	2,220,618	2,058,140	(152,646)	9,832
Total foreign currency exposure	145,253,422	192,387,455	47,003,140	(130,893)
Total currency exposure	3,902,073,131	3,655,088,839	-	246,984,292

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates on				
- Profit and Loss Account	-	15,979	-	1,892
- Other Comprehensive Income	-	-	-	-

50.2.4 Equity position risk

Equity position risk is defined as the risk to earnings or capital arising from adverse changes in value of equity portfolios of Bank. The limits assigned to various individual scripts and total portfolio investments are fixed as per the guidelines issued by the SBP. The Bank invests in only Shariah compliant equities as advised by the Resident Shariah Board Member.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices on				
- profit and loss account	-	-	-	-
- other comprehensive income	-	493,048	-	261,075

50.2.5 Yield / profit rate risk

Yield risk occurs when there is a mismatch between positions, which are subject to profit rate alterations within a particular time period. The Bank's financing, placement and investment activities give rise to profit rate risk. The effect of changes in profit rate is on the Bank's income, and resultant impact is on the Bank's net worth.

Profit rate risk is primarily managed by monitoring the rate sensitive gaps and by having the pre-approved limits for repricing buckets. ALCO is the supervising body for adherence with these, complemented by the monitoring of sensitivity of the Bank's financial assets and liabilities to various scenarios.

The Bank estimates changes in the market value of equity due to changes in the yield rates on on-balance sheet positions and their impact on capital adequacy ratio by conducting stress tests. It also assesses risk on earnings of the Bank by various shocks.

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	2025		2024	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
Impact of 1% change in discount rates with other factors remaining constant, on:				
- profit and loss account	7,580,906	-	6,019,108	-
- other comprehensive income	-	-	-	-

50.2.6 Mismatch of yield rate sensitive assets and liabilities

	Effective yield rate %	Total	2025								Non-yield bearing financial instruments	
			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		Above 10 years
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	330,542,818	-	-	-	-	-	-	-	-	-	330,542,818
Balances with other banks	-	15,388,174	-	-	-	-	-	-	-	-	-	15,388,174
Due from financial institutions	9.44	12,325,225	12,325,225	-	-	-	-	-	-	-	-	-
Investments	13.30	2,594,914,804	75,490,690	26,196,527	1,506,635,012	226,138,229	76,810,276	534,710,936	129,363,688	2,281,686	-	17,287,760
Islamic financing and related assets	10.96	1,640,934,798	769,521,725	317,970,600	280,669,039	54,480,671	21,368,047	35,915,499	48,043,063	76,715,969	33,119,472	3,130,713
Other assets	-	119,388,321	-	-	-	-	-	-	-	-	-	119,388,321
		4,713,494,140	857,337,640	344,167,127	1,787,304,051	280,618,900	98,178,323	570,626,435	177,406,751	78,997,655	33,119,472	485,737,786
Liabilities												
Bills payable	-	73,767,955	-	-	-	-	-	-	-	-	-	73,767,955
Due to financial institutions	10.95	887,048,227	803,145,763	20,157,308	6,145,968	715,321	9,328,245	2,120,767	9,132,960	32,787,844	740,545	2,773,506
Deposits and other accounts	3.42	3,302,842,200	1,694,249,223	18,472,940	810,800	-	-	-	-	-	-	1,589,309,237
Lease liability against right-of-use assets	-	28,428,316	-	-	-	-	-	-	-	-	-	28,428,316
Sub-ordinated sukuk	12.16	16,990,000	7,000,000	-	9,990,000	-	-	-	-	-	-	-
Other liabilities	-	173,093,247	-	-	-	-	-	-	-	-	-	173,093,247
		4,482,169,945	2,504,394,986	38,630,248	16,946,768	715,321	9,328,245	2,120,767	9,132,960	32,787,844	740,545	1,867,372,261
On-balance sheet gap		231,324,195	(1,647,057,346)	305,536,879	1,770,357,283	279,903,579	88,850,078	568,505,668	168,273,791	46,209,811	32,378,927	(1,381,634,475)
Non financial assets												
- Investments		1,922,336										
- Property and equipment		50,038,251										
- Right-of-use assets		21,777,193										
- Intangible assets		3,429,762										
- Deferred tax asset		-										
- Other assets		15,899,237										
		93,066,779										
Non financial liabilities												
- Other liabilities		43,479,354										
- Deferred tax liabilities		1,654,497										
		45,133,851										
Total net assets		279,257,123										
Off-balance sheet financial instruments												
Guarantees		94,577,231	-	-	-	-	-	-	-	-	-	94,577,231
Documentary letter of credits		311,246,151	-	-	-	-	-	-	-	-	-	311,246,151
Forward purchase of foreign exchange contracts		200,854,639	-	-	-	-	-	-	-	-	-	200,854,639
Forward sale of foreign exchange contracts		(179,864,673)	-	-	-	-	-	-	-	-	-	(179,864,673)
Off-balance sheet gap		426,813,348	-	-	-	-	-	-	-	-	-	426,813,348
Total yield risk rate sensitivity gap												
			(1,647,057,346)	305,536,879	1,770,357,283	279,903,579	88,850,078	568,505,668	168,273,791	46,209,811	32,378,927	(954,821,127)
Cumulative yield risk rate sensitivity gap												
			(1,647,057,346)	(1,341,520,467)	428,836,816	708,740,395	797,590,473	1,366,096,141	1,534,369,932	1,580,579,743	1,612,958,670	658,137,543

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	Effective yield rate %	Total	2024 Exposed to yield risk								Non-yield bearing financial instruments	
			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 in '000									
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	260,734,258	-	-	-	-	-	-	-	-	-	260,734,258
Balances with other banks	0.07	13,424,950	280,223	-	-	-	-	-	-	-	-	13,144,727
Due from financial institutions	12.17	34,964,299	-	-	-	34,964,299	-	-	-	-	-	-
Investments	13.24	1,868,613,287	115,968,043	94,648,806	1,236,298,913	20,580,530	236,852,778	79,831,769	73,553,419	-	-	10,879,029
Islamic financing and related assets	12.12	1,514,755,936	869,959,386	303,725,090	177,726,983	38,054,820	16,800,151	27,049,010	29,252,331	36,871,558	13,357,547	1,959,060
Other assets	-	124,234,795	-	-	-	-	-	-	-	-	-	124,234,795
		3,816,727,525	986,207,652	398,373,896	1,414,025,896	93,599,649	253,652,929	106,880,779	102,805,750	36,871,558	13,357,547	410,951,869
Liabilities												
Bills payable	-	112,605,407	-	-	-	-	-	-	-	-	-	112,605,407
Due to financial institutions	13.55	722,286,318	608,484,708	17,740,596	32,098,714	551,230	2,113,740	9,263,522	6,971,445	40,234,700	2,744,373	2,083,290
Deposits and other accounts	3.38	2,584,871,300	1,356,080,934	-	-	-	-	-	-	-	-	1,228,790,366
Lease liability against right-of-use assets	-	25,848,322	-	-	-	-	-	-	-	-	-	25,848,322
Sub-ordinated sukuk	17.88	20,990,000	11,000,000	-	9,990,000	-	-	-	-	-	-	-
Other liabilities	-	148,894,182	-	-	-	-	-	-	-	-	-	148,894,182
		3,615,495,529	1,975,565,642	17,740,596	42,088,714	551,230	2,113,740	9,263,522	6,971,445	40,234,700	2,744,373	1,518,221,567
On-balance sheet gap		201,231,996	(989,357,990)	380,633,300	1,371,937,182	93,048,419	251,539,189	97,617,257	95,834,305	(3,363,142)	10,613,174	(1,107,269,698)
Non financial assets												
- Investments		1,922,333										
- Property and equipment		46,847,734										
- Right-of-use assets		21,230,197										
- Intangible assets		2,896,880										
- Deferred tax asset		-										
- Other assets		12,448,462										
		85,345,606										
Non financial liabilities												
- Other liabilities		25,381,975										
- Deferred tax liabilities		14,211,335										
		39,593,310										
Total net assets		246,984,292										
Off-balance sheet financial instruments												
Guarantees		78,286,827	-	-	-	-	-	-	-	-	-	78,286,827
Documentary letter of credits		369,351,453	-	-	-	-	-	-	-	-	-	369,351,453
Forward purchase of foreign exchange contracts		163,944,780	-	-	-	-	-	-	-	-	-	163,944,780
Forward sale of foreign exchange contracts		(116,941,640)	-	-	-	-	-	-	-	-	-	(116,941,640)
Off-balance sheet gap		494,641,420	-	-	-	-	-	-	-	-	-	494,641,420
Total yield risk rate sensitivity gap			(989,357,990)	380,633,300	1,371,937,182	93,048,419	251,539,189	97,617,257	95,834,305	(3,363,142)	10,613,174	(612,628,278)
Cumulative yield risk rate sensitivity gap			(989,357,990)	(608,724,690)	763,212,492	856,260,911	1,107,800,100	1,205,417,357	1,301,251,662	1,297,888,520	1,308,501,694	695,873,416

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market profit rates on both its fair value and cash flow risks.

Profit margins may increase as a result of such changes but may reduce to losses in the event that unexpected movement arise.

50.3 Liquidity risk

Liquidity risk is the potential for loss to the Bank arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring an unacceptable cost.

The Bank's Board of Directors sets the Bank's policy for managing liquidity risk and entrusts accountability for supervision of the implementation of this strategy to senior management. Senior management exercises its responsibilities for managing market & liquidity risk through various committees including the Asset & Liability Management Committee (ALCO). Treasury department manages the Bank's liquidity position on a daily basis. The Bank's main approach of managing the liquidity risk is to make certain that it will always have adequate liquidity to meet its liabilities when they are due in normal and stressed scenarios without incurring any untoward expenditure or risking reputational harm. ALCO monitors the maintenance of liquidity ratios, depositor's concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual deposits. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

50.3.1 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 in '000															
Assets															
Cash and balances with treasury banks	330,542,818	-	-	-	-	-	-	-	-	-	-	-	-		
Balances with other banks	15,388,174	-	-	-	-	-	-	-	-	-	-	-	-		
Due from financial institutions	12,325,225	-	-	12,325,225	-	-	-	-	-	-	-	-	-		
Investments	2,596,837,140	3,895,231	4,389,149	14,264,654	382,749	43,874	11,860,882	17,719,737	510,169,226	49,432,1538	716,848,735	311,574,034	510,513,327		
Islamic financing and related assets	1,640,934,798	543,537,342	6,918,410	47,751,950	80,579,784	45,846,344	144,232,395	51,561,968	82,764,091	94,265,365	116,860,032	151,458,901	263,460,891		
Property and equipment	50,038,251	38,233	229,393	267,626	611,715	975,887	3,403,737	5,034,966	16,78,322	6,738,352	5,466,797	5,751,048	17,890,400		
Right-of-use assets	21,777,193	237,064	-	-	231,951	230,406	684,653	672,807	662,325	2,538,089	2,401,482	4,073,473	10,044,943		
Intangible assets	3,429,762	3,340	20,038	53,436	198,366	99,183	286,319	405,265	135,088	952,103	753,314	493,608	6,324		
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other assets	135,287,558	353,585	3,841,713	10,586,499	15,025,069	13,988,166	39,032,455	23,608,329	23,285,439	729,496	122,822	245,644	-		
	4,806,560,919	890,954,560	14,904,785	85,593,479	98,369,694	61,183,880	199,500,441	99,003,072	618,694,491	599,544,943	842,453,182	473,596,708	801,915,885		
Liabilities															
Bills payable	73,787,955	24,343,426	16,474,843	16,474,843	-	-	-	-	-	-	-	-	-		
Due to financial institutions	887,048,227	7,300,394	667,087,682	101,210,356	14,342,363	5,814,875	6,145,261	183,843	528,581	9,304,484	2,129,294	915,013	33,529,431		
Deposits and other accounts	3,302,842,200	301,590,794	31,387,770	27,449,449	25,068,773	16,682,872	26,343,924	32,571,502	31,739,706	9,503,279	7,757,049	7,842,924	2,782,875		
Lease liability against right-of-use assets	28,428,316	69,293	-	-	8,925	(10,415)	120,693	273,460	265,241	880,012	1,326,003	2,936,280	22,558,824		
Sub-ordinated sukuk	16,990,000	-	-	-	-	-	-	-	-	-	-	-	16,990,000		
Deferred tax liabilities	1,654,497	-	-	-	-	-	-	206,812	206,813	413,624	413,624	413,624	-		
Other liabilities	216,572,601	5,035,016	31,917,495	121,159,073	17,997,294	16,954,056	47,064,134	8,501,828	17,78,939	4,034,263	3,427,589	6,855,178	17,137,945		
	4,527,303,796	3,052,666,043	746,618,790	127,008,129	57,417,355	39,441,388	79,674,012	41,737,445	40,919,280	24,135,662	15,053,559	27,198,619	92,999,075		
Net assets															
	279,257,123	(2,161,701,483)	(731,714,005)	(41,414,650)	40,952,339	21,742,492	119,826,429	57,265,627	577,775,211	575,409,281	827,399,623	446,398,089	708,916,810		
Share capital	18,005,546														
Reserves	57,960,448														
Surplus on revaluation of assets	14,380,110														
Unappropriated profit	188,911,019														
	279,257,123														

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For The Year Ended December 31, 2025

2024

Rupees in '000

	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
Assets														
Cash and balances with treasury banks	260,734,258	260,734,258	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	13,424,950	13,424,950	-	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	34,964,299	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	1,870,535,620	357,608	2,102,622	2,455,059	6,537,026	11,36,824	344,056	27,375,432	53,917,596	30,903,621	509,858,089	488,014,669	438,099,881	308,435,337
Islamic financing and related assets	1,514,755,936	699,307,885	7,580,547	19,805,549	77,889,078	64,290,165	74,906,281	105,789,406	31,602,238	21,900,938	59,012,781	54,291,260	174,328,298	124,051,490
Property and equipment	46,847,734	51,395	308,368	359,763	822,316	2,387,832	1,193,916	4,583,408	6,808,958	2,289,653	5,524,390	4,690,507	4,843,640	13,003,988
Right-of-use assets	21,230,197	-	-	-	6,640	4,670	-	41,737	31,635	30,894	606,683	571,477	1,589,276	18,346,985
Intangible assets	2,896,880	2,474	14,847	17,321	39,592	147,544	73,772	219,904	316,768	105,589	764,760	610,928	566,816	17,367
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	138,683,257	338,461	12,801,037	4,556,716	10,666,590	14,380,242	12,199,741	29,891,624	26,087,708	25,066,017	(68,947)	378,570	383,500	-
	3,902,073,131	974,217,031	22,807,421	27,194,408	95,961,242	82,347,477	88,717,766	167,900,511	153,729,198	80,276,712	575,697,756	548,557,431	619,811,211	464,854,967
Liabilities														
Bills payable	112,605,407	37,159,784	25,148,541	25,148,541	25,148,541	79,99,864	9,800,731	32,098,714	175,736	377,494	2,113,740	9,263,522	6,971,445	42,979,073
Due to financial institutions	722,286,318	1,338,886	383,484,487	15,114,340	210,630,286	14,910,185	11,925,605	33,874,410	39,598,042	20,389,753	11,010,378	5,821,576	11,633,514	3,093,511
Deposits and other accounts	2,584,871,300	2,405,261,083	8,016,636	4,941,093	14,395,534	75,593	(46,440)	95,761	206,522	143,914	739,103	947,226	2,535,386	21,151,257
Lease liability against right-of-use assets	25,848,322	-	-	-	-	-	-	-	-	-	-	-	-	20,990,000
Sub-ordinated Sukuks	20,990,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	14,211,335	-	-	-	-	-	-	-	1,776,417	1,776,417	3,552,834	3,552,834	3,552,833	-
Other liabilities	174,276,157	724,764	13,346,486	7,262,833	16,846,509	25,956,181	23,761,230	64,576,083	11,188,117	10,166,427	-	447,517	-	-
	3,655,088,839	2,444,484,497	429,996,150	52,466,807	267,020,870	48,881,823	45,441,126	130,644,978	52,942,834	32,854,005	17,416,055	200,32,675	24,693,178	88,213,841
Net assets														
	246,984,292	(1,470,267,466)	(407,188,729)	(25,272,399)	(171,059,628)	33,485,854	43,276,640	37,255,533	100,786,364	47,422,707	558,281,701	528,524,756	595,118,033	376,641,126
Share capital	179,47,407													
Reserves	48,002,267													
Surplus on revaluation of assets	22,141,192													
Unappropriated profit	158,893,426													
	<u>246,984,292</u>													

Current and Savings deposits have been classified under maturity up to one day as these do not have any contractual maturity.

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For The Year Ended December 31, 2025

50.3.2 Assets and liabilities - based on expected maturity

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 in '000									
Assets									
Cash and balances with treasury banks	330,542,818	330,542,818	-	-	-	-	-	-	-
Balances with other banks	15,388,174	15,388,174	-	-	-	-	-	-	-
Due from financial institutions	12,325,225	12,325,225	-	-	-	-	-	-	-
Investments	2,596,837,140	23,403,040	426,623	11,860,882	527,888,963	494,321,538	716,848,735	311,574,033	510,513,326
Islamic financing and related assets	1,640,934,798	217,984,128	251,505,751	260,580,247	284,819,483	94,265,365	116,860,032	151,458,901	230,341,419
Property and equipment	50,038,251	1,146,966	2,927,662	3,403,737	6,713,288	6,738,352	5,466,797	5,751,048	5,281,558
Right-of-use assets	21,777,193	237,065	462,359	684,654	1,335,129	2,538,089	2,401,482	4,073,473	10,044,942
Intangible assets	3,429,762	100,193	297,549	286,319	540,353	952,103	753,314	493,608	6,323
Deferred tax assets	-	-	-	-	-	-	-	-	-
Other assets	135,287,558	19,250,117	29,013,256	39,032,455	46,893,769	729,496	122,822	245,643	-
	4,806,560,919	620,377,726	284,633,200	315,848,294	868,190,985	599,544,943	842,453,182	473,596,706	756,187,568
									45,728,315
Liabilities									
Bills payable	73,767,955	73,767,955	-	-	-	-	-	-	-
Due to financial institutions	887,048,227	805,919,483	20,157,238	6,145,261	712,424	9,304,483	2,129,294	9,150,613	32,788,886
Deposits and other accounts	3,302,842,200	287,357,451	170,636,556	146,231,418	233,857,729	249,278,268	191,742,869	299,602,350	689,112,474
Lease liability against right-of-use assets	28,428,316	69,293	(1,491)	120,693	538,702	880,012	1,326,003	2,936,280	9,169,297
Sub-ordinated sukuk	16,990,000	-	-	-	-	-	-	-	9,990,000
Deferred tax liabilities	1,654,497	-	-	-	413,624	413,625	413,624	413,624	-
Other liabilities	216,572,601	86,421,375	34,951,350	47,064,134	16,680,767	4,034,263	3,427,589	6,855,178	17,137,945
	4,527,303,796	1,253,535,557	225,743,653	199,561,506	252,203,246	263,910,651	199,039,379	318,958,045	758,198,602
									1,056,153,157
Net assets									
	279,257,123	(633,157,831)	58,889,547	116,286,788	615,987,739	335,634,292	643,413,803	154,638,661	(2,011,034)
									(1,010,424,842)
Share capital									
Share capital	18,005,546								
Reserves	57,960,448								
Surplus on revaluation of assets	14,380,110								
Unappropriated profit	188,911,019								
	279,257,123								
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 in '000									
Assets									
Cash and balances with treasury banks	260,734,258	260,734,258	-	-	-	-	-	-	-
Balances with other banks	13,424,950	13,424,950	-	-	-	-	-	-	-
Due from financial institutions	34,964,299	-	-	-	34,964,299	-	-	-	-
Investments	1,870,535,620	10,524,399	1,480,880	27,375,432	84,821,217	509,858,089	488,940,584	438,099,681	309,435,338
Islamic financing and related assets	1,514,755,936	302,550,823	302,203,743	257,417,215	240,900,304	59,012,781	54,291,280	174,328,298	86,659,636
Property and equipment	46,847,734	1,541,842	3,581,748	4,583,408	9,078,611	5,524,390	4,690,507	4,843,640	3,052,532
Right-of-use assets	21,230,197	6,640	4,870	41,737	62,529	606,683	571,477	1,589,276	7,110,890
Intangible assets	2,896,880	74,235	221,316	218,904	422,355	764,760	610,928	566,816	17,566
Deferred tax assets	-	-	-	-	-	-	-	-	-
Other assets	136,683,257	26,896,567	27,187,977	30,804,007	50,790,411	450,783	482,849	70,663	-
	3,902,073,131	615,753,714	334,680,534	320,440,703	421,039,726	576,217,486	549,587,625	619,498,374	406,275,962
									58,579,007
Liabilities									
Bills payable	112,605,407	112,605,407	-	-	-	-	-	-	-
Due to financial institutions	722,286,318	610,567,998	17,740,596	32,098,714	551,230	2,113,740	9,263,522	6,971,445	40,235,073
Deposits and other accounts	2,584,871,300	163,166,135	135,852,540	135,280,735	203,397,995	213,823,028	161,445,197	258,416,979	480,625,575
Lease liability against right-of-use assets	25,848,322	-	29,154	95,761	350,436	739,103	947,226	2,535,386	8,181,469
Sub-ordinated Sukuk	20,990,000	-	-	-	-	-	-	-	13,990,000
Deferred tax liabilities	14,211,335	-	-	-	3,552,834	3,552,834	3,552,834	3,552,833	-
Other liabilities	174,276,157	38,180,592	49,717,412	64,576,093	21,354,544	-	447,516	-	-
	3,655,088,839	924,520,132	203,339,702	232,051,303	229,207,039	220,228,705	175,656,295	271,476,643	543,032,117
									855,576,903
Net assets									
	246,984,292	(308,766,418)	131,340,832	88,389,400	191,832,687	355,988,781	373,931,330	348,021,731	(136,756,155)
									(796,997,896)
Share capital									
Share capital	17,947,407								
Reserves	48,002,267								
Surplus on revaluation of assets	22,141,192								
Unappropriated profit	158,893,426								
	246,984,292								

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Regarding behaviour of non-maturity deposits (non-contractual deposits), the Bank has carried out a behavioural study using the Value at Risk (VaR) methodology based on 5 years data. On the basis of its findings, 18.63% of current accounts and 19.82% of saving accounts are bucketed into 'Upto 1-Year maturity' whereas, 81.37% of current accounts and 80.18% of savings accounts are bucketed into maturities of above 1-Year.

50.4 Operational risk

The Bank uses Basic Indicator Approach (BIA) for assessing the capital charge for operational risk. Under BIA the capital charge is calculated by multiplying average positive annual gross income of the Bank over past three years with 15% as per guidelines issued by SBP under Basel II.

To reduce losses arising from operational risk, the Bank has strengthened its risk management framework by developing policies, strategies, guidelines and manuals. It also includes set up of functions like operational risk management, prevention of fraud and forgery and information security function, defining responsibilities of individuals, implementing four eye principle, enhancing security measures, improving efficiency and effectiveness of operations, outsourcing and improving quality of human resources through trainings and development.

51. PROFIT / (LOSS) DISTRIBUTION TO DEPOSITORS' POOLS AND SPECIFIC POOLS

51.1 The Bank managed following general and specific pools during the year:

2025								
General Remunerative (Savings and Fixed) Depositors' Pools	Number of pools	Profit Rate and weightage announcement period	Profit rate return earned - Average	Profit Sharing Ratio of Mudarib	Mudarib Fee based on profit sharing ratio	Profit rate return distributed to remunerative deposits (Savings and Fixed) - Average	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
					Rupees in '000	Rupees in '000		
PKR Pool	1	Monthly	11.41%	50%	84,891,019	6.68%	17%	14,444,987
USD Pool	1	Monthly	5.59%	75%	3,865,494	2.12%	17%	649,388
GBP Pool	1	Monthly	3.68%	90%	177,802	1.24%	26%	46,681
EUR Pool	1	Monthly	2.33%	90%	67,102	1.12%	42%	28,247

2024								
General Remunerative (Savings and Fixed) Depositors' Pools	Number of pools	Profit Rate and weightage announcement period	Profit rate return earned - Average	Profit Sharing Ratio of Mudarib	Mudarib Fee based on profit sharing ratio	Profit rate return distributed to remunerative deposits (Savings and Fixed) - Average	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
					Rupees in '000	Rupees in '000		
PKR Pool	1	Monthly	17.28%	50%	105,545,457	10.75%	24%	25,082,953
USD Pool	1	Monthly	7.29%	75%	4,598,549	2.32%	7%	426,238
GBP Pool	1	Monthly	4.90%	90%	217,047	1.21%	14%	35,288
EUR Pool	1	Monthly	3.99%	90%	96,399	1.06%	18%	17,749

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For The Year Ended December 31, 2025

2025								
Specific Pools	Number of pools	Profit Rate and weightage announcement period	Profit rate return earned	Profit sharing ratio	Investment ratio	Profit rate return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba to remunerative deposits

Islamic Export Refinance (IERS) Musharaka Pool	1	Monthly	16.83%	-*	-*	10.85%	N/A	N/A

Inter Bank Musharaka / Mudaraba borrowing Pool	493	As required	18.71% - 8.37%	-*	-*	14.00% - 7.00%	N/A	N/A

Special Sharikah Certificate / PMRC Musharaka / Mudaraba borrowing Pool	375	As required	19.56% - 8.37%	-*	-*	12.79% - 2.08%	N/A	N/A

* The profit sharing ratio and the investment ratio varies on case to case basis.

2024								
Specific Pools	Number of pools	Profit Rate and weightage announcement period	Profit rate return earned	Profit sharing ratio	Investment ratio	Profit rate return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba to remunerative deposits

Islamic Export Refinance (IERS) Musharaka Pool	1	Monthly	16.83%	-*	-*	10.85%	N/A	N/A

Inter Bank Musharaka / Mudaraba borrowing Pool	530	As required	24.71% - 11.40%	-*	-*	23.00% - 10.00%	N/A	N/A

Special Sharikah Certificate / PMRC Musharaka / Mudaraba borrowing Pool	369	As required	24.71% - 11.40%	-*	-*	20.60% - 3.42%	N/A	N/A

* The profit sharing ratio and the investment ratio varies on case to case basis.

51.2 Following weightages have been assigned to different major products under the General pools during the year:

	Percentage to Total Mudaraba based Deposits		Maximum Weightage	Minimum Weightage	Maximum Weightage	Minimum Weightage
	2025	2024	2025	2025	2024	2024
PKR Pool						
Saving Accounts	37.20%	30.13%	0.46	0.20	0.41	0.37
Meezan Bachat Account	13.93%	13.63%	0.46	0.45	0.54	0.37
Karobari Munafa Account	6.47%	6.83%	0.46	0.20	0.49	0.37
Certificate of Islamic Investment	3.82%	4.47%	0.79	0.53	0.88	0.22
Meezan Aamdand Certificate	1.56%	2.08%	0.67	0.53	0.89	0.56
USD Pool						
Saving Accounts	3.86%	4.24%	0.58	0.58	0.58	0.58
Certificate of Islamic Investment	0.88%	1.05%	1.23	0.60	0.85	0.60
GBP Pool						
Saving Accounts	0.28%	0.28%	0.27	0.27	0.27	0.27
EUR Pool						
Saving Accounts	0.16%	0.15%	0.27	0.27	0.27	0.27

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

51.3 Allocation of Income and Expenses to Depositors' Pools

Following are material items of revenues, expenses, gains and losses

	2025	2024
	Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	231,190,861	259,244,681
Other Income (including other charges and interpool income)	5,428,858	10,365,910
Directly related costs attributable to pool	(3,499,710)	(1,899,525)

52. GENERAL

52.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated financial statements, wherever necessary to facilitate comparison.

52.2 The Bank has been notified as a shariah compliant business by Pakistan Stock Exchange (PSX) vide Notice PSX/N-1419 dated December 26, 2025. Accordingly, the Bank is required to make below additional disclosures.

The bank only enters into relation with conventional banks on need basis under Shariah compliant arrangement in line with Shariah Board guidelines. All local or Nostro accounts with conventional bank are non-remunerative accounts therefore no interest income is earned on them. As a policy the Bank does not enter into any direct relationship with conventional insurers.

52.2.1 On liability side, the Bank mainly raises funds through deposits, SBP / interbank acceptances and sub-ordinated sukuk. These amounts are based on islamic principles of Mudaraba, Musharakah, Qard etc. Outstanding position of these liabilities are as under:

	Note	2025	2024
		Rupees in '000	
Due to financial institutions	17	887,048,227	722,286,318
Deposits and other accounts	18	3,302,842,200	2,584,871,300
Sub-ordinated sukuks	20	16,990,000	20,990,000
		<u>4,206,880,427</u>	<u>3,328,147,618</u>

Total profit accrued against these liabilities during the year was Rs 167,990 million (2024: Rs 207,257 million). In accordance with shariah guidelines, no liability was raised through any conventional mode of financing / advance and thus no interest was accrued or paid.

52.2.2 On investment side, the Bank has made investment in GoP shariah compliant securities (mainly sukuk and bai muajjal), privately placed corporate sukuk, listed and unlisted shariah compliant equities (including those of subsidiaries, associates and mutual funds). Further bank balances / placements (including those with foreign correspondent banks) have been held under islamic mode of placements. Outstanding position of these assets are as under:

	Note	2025	2024
		Rupees in '000	
Balance with State Bank of Pakistan and National Bank of Pakistan	7	274,593,554	202,200,874
Balances with other banks	8	15,388,174	13,424,950
Due from financial institutions	9	12,325,225	34,964,299
Investments	10	2,596,837,140	1,870,535,620
		<u>2,899,144,093</u>	<u>2,121,125,743</u>

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

52.2.3 The Bank neither deal in conventional derivative financial instruments nor provide any conventional loan / advance. Any amount recovered due to late payment is recognised and taken as charity payable by the bank. Below are the details of revenue earned from shariah compliant businesses:

	Note	2025	2024
		Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	27	420,462,297	494,296,852
Fee and commission income	29	22,695,552	21,338,882
Dividend income		2,014,703	2,190,252
Foreign exchange income		5,478,974	829,592
Gain / (loss) on securities	30	986,809	3,515,947
Net loss on derecognition of financial assets measured at amortised cost	31	-	(186,473)
Other income	32	1,456,264	1,189,746
		453,094,599	523,174,798

53. NON-ADJUSTING EVENT

The Board of Directors in their meeting held on February 09, 2026 has announced final cash dividend of Rs 7 per share (70%). The unconsolidated financial statements for the year ended December 31, 2025, do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2026.

54. DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on February 09, 2026 by the Board of Directors of the Bank.



Riyadh S. A. A.
Edrees
Chairman



Dr. Syed Amir Ali
President &
CEO



Bader H.A.M.A.
AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

ANNEXURE I TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Statement showing written-off financing or any other financial relief (other than those against investments) of five hundred thousand rupees or above provided during the year ended December 31, 2025 as referred in note 11.9 to these unconsolidated financial statements. Financing written off in accordance with the policy do not in any way prejudice the Bank's right of recovery from the customer.

Rupees in '000

S. No.	Name and address of the borrower	Name of individuals / directors (with CNIC / Passport No)	Father's / Husband's Name	Outstanding liabilities at beginning of the year				Principal written-off	Profit waived	Other Financial relief provided	Total (9+10+11)
				Principal	Profit	Others	Total (5+6+7)				
1	2	3	4	5	6	7	8	9	10	11	12
1	Pioneer Distributors SC-42, Garden View, Stadium Road, Karachi	Anis Billoo 42201-6073437-5 Abdul Ghaffar Bangloria 42301-8276462-1 Zubaida Billoo 42000-0489044-4 Arif Billoo 42201-4959797-9	Umer Billoo Habib Bangloria Umar Billoo Umer Billoo	244,171	-	-	244,171	-	27,261	-	27,261
2	John Palmer Senior & Co 3/A Davis Road Lahore	Azhar Sarfaraz 35202-8965143-7	Ahmad Sarfaraz Khan	5,137	2,496	-	7,633	-	2,317	-	2,317
3	Abdul Qadeer Ahmed Medicare G.T Road, Qasba Gujrat, Tehsil Kot Addu, District Muzaffargarh	32303-0726089-7	Ahmad Baksh	3,793	7,228	125	11,146	-	3,964	126	4,090
4	Nadeem Shoukat Dakkhana Barki Barka, Khurd Tehsil, Lahore Cantt, Lahore	35201-2131413-1	Shoukat Ali	767	524	374	1,665	-	454	285	739
5	Muhammad Azeem House # 153, Zeenat Block, Allama Iqbal Town, Lahore	36302-0485278-5	Muhammad Afzaal Sheikh	1,444	794	341	2,579	-	-	2,501	2,501
6	Adnan Said Flat No 7 Block 2 PHA Street 132 G114 Islamabad	17101-8895913-7	Hazrat Ali	1,323	693	291	2,307	-	227	292	519
				256,635	11,735	1,131	269,501	-	34,223	3,204	37,427

INDEPENDENT AUDITOR'S REPORT

To the members of Mezzan Bank Limited

Opinion

We have audited the annexed consolidated financial statements of Mezzan Bank Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit and loss account, 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 December 31, 2023, 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 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 obligations (Refer notes 6.1.2, 6.4.2, 6.20, 35.1.1, 35.11 and 36 to the consolidated financial statements) The Group records credit loss allowance against Islamic financing and related assets and off-balance sheet obligations in accordance with the requirements of the application instructions issued by the State Bank of Pakistan (SBP) for IFRS-9. Under IFRS-9, the Group assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with all Islamic financing and related assets together with off-balance sheet obligations including letters of credit, guarantees and irrevocable confirmed financing commitments. A lifetime ECL is recorded on Islamic financing and related assets and off-balance sheet obligations where there have been a Significant Increase in Credit Risk (SICR) from the date of initial recognition and on Islamic financing and related assets and off-	Our audit procedures to verify credit loss allowance against Islamic financing and related assets and off-balance sheet obligations included, amongst others, the following: We obtained and updated our understanding of management's assessment of credit loss allowance in respect of Islamic financing and related assets and off-balance sheet obligations including the Group's internal rating model, accounting policy, and model methodologies including any key changes made during the year. We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Group to identify and



S.No	Key Audit Matter	How the matter was addressed in our audit
	Islamic short obligations which are credit impaired as on the reporting date. A 12-month ECL is recorded for Islamic financing and related assets and off-balance sheet obligations which do not meet the criteria for SICR, or "credit impaired" as at the reporting date. To assess whether there is a significant increase in the credit risk, the Group estimates the risk of a default occurring in the Islamic financing and related assets and off-balance sheet obligations as at the reporting date with the risk of default as at the date of initial recognition. Both lifetime and 12-month ECL are calculated at facility level. The credit loss allowance is increased by premiums charged to the consolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries. The Group treats charge for Stage 3 based on the higher of provision under Prudential Regulations or IFRS under IFRS 9, as per the instructions of the State Bank of Pakistan (SBP). This assessment is conducted at the facility level for corporate, agriculture, commercial, and SME Islamic financing and related assets portfolio including off-balance sheet obligations, and at segment / product level for the retail portfolio. If any facility of a counterparty becomes 90 days past due (DPD) or is otherwise defined as nonperforming under Prudential Regulations, all other facilities of that counterparty are classified as Stage 3. The measurement of ECL involves evaluating a range of possible outcomes, considering the time value of money, and incorporating reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The net credit loss allowance recognized / reversed during the year is charged to the consolidated statement of profit and loss account and accumulated credit loss allowance is carried-off against Islamic financing and related assets and credit loss allowance against off-balance sheet obligations is reflected under other liabilities. The Group has recognized a net credit loss allowance against Islamic financing and related assets and net reversal of credit loss allowance against off-balance sheet obligations amounting to Rs. 3,726 million and Rs. 28 million, respectively in the consolidated statement of profit and loss account in the current year. As at December 31, 2023, the Group holds a credit loss allowance of Rs. 43,272 million and Rs. 273 million against Islamic financing and related assets and off-balance sheet obligations, respectively. The determination of credit loss allowance against Islamic financing and related assets and off-balance sheet obligations based on the above criteria remains a significant area of judgment and estimation. Because of the significance of the impact of these judgments / estimates and the materiality of Islamic financing and related assets and off-balance sheet obligations relative to the overall consolidated financial statements of the Group, we considered this area as a key audit matter.	events and determine the extent of provisioning required against Islamic financing and related assets and off-balance sheet obligations. The testing of controls included testing of: - controls over the correct classification of customers under the applicable financial reporting framework; - controls over the monitoring of customers with higher risk of default having exposure to Islamic financing and related assets and off-balance sheet obligations and correct classification of customers exposure on subjective criteria; - controls over the accurate computation and recording of credit loss allowance; and - controls over the governance and approval process related to credit loss allowance, including continuous reassessment by the management. We selected a sample of customers and performed the following substantive procedures: - assessed the reasonableness and accuracy of the data used for credit loss allowance computation based on accounting records and information systems of the Group as well as the related external sources used for this purpose; - checked requirements of Islamic financing and related assets / profit investments and tested the classification of customer exposure based on the number of days overdue; - tested the staging of Islamic financing and related assets and off-balance sheet obligations as per the criteria of SICR and in accordance with the application instructions as issued by the SBP for IFRS 9; - evaluated the management's assessment for classification of a customer's exposure as performing or non-performing under prudential regulations and application instructions as issued by the SBP for IFRS 9, based on a review of repayment pattern, inspection of credit documentation, and discussions with the management; and - assessed the ECL model used by the management to calculate expected credit loss allowance against Islamic financing and related assets and off-balance sheet obligations balance of the Group for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the models used in the calculation of credit loss allowance. Assessed the reasonableness of the forward-looking assumptions used by the management in calculation of ECL; and Assessed the relevant disclosures made in the consolidated financial statements to determine whether they comply with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated 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 unconsolidated and consolidated 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, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XXX of 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 it 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 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 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 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 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 in the audit resulting in this independent auditor's report is **Shahbaz Akbar**.



A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: March 04, 2023
UDIN: AKR0230088016JpJpCF

Consolidated Statement of Financial Position

As At December 31, 2025

	Note	2025	2024
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks	7	330,810,281	260,873,367
Balances with other banks	8	15,439,064	13,290,726
Due from financial institutions	9	12,325,225	34,964,299
Investments	10	2,608,334,204	1,878,852,841
Islamic financing and related assets	11	1,640,934,798	1,514,755,936
Property and equipment	12	50,826,681	47,226,503
Right-of-use assets	13	22,174,737	21,622,622
Intangible assets	14	3,493,490	2,960,432
Deferred tax asset		-	-
Other assets	15	135,596,974	137,641,875
Total Assets		4,819,935,454	3,912,188,601
LIABILITIES			
Bills payable	16	73,767,955	112,605,407
Due to financial institutions	17	887,048,227	722,286,318
Deposits and other accounts	18	3,302,337,407	2,584,583,671
Lease liability against right-of-use assets	19	28,889,130	26,286,276
Sub-ordinated sukuks	20	16,990,000	20,990,000
Deferred tax liabilities	21	3,607,635	15,530,758
Other liabilities	22	219,097,035	176,275,951
Total Liabilities		4,531,737,389	3,658,558,381
NET ASSETS		288,198,065	253,630,220
REPRESENTED BY			
Share capital	23	18,005,546	17,947,407
Reserves	24	57,984,764	48,026,583
Surplus on revaluation of assets - net of tax	25	14,380,110	22,141,192
Unappropriated profit		195,304,919	163,601,395
		285,675,339	251,716,577
Non-Controlling Interest	26	2,522,726	1,913,643
		288,198,065	253,630,220
CONTINGENCIES AND COMMITMENTS		27	

The annexed notes 1 to 55 and annexure I form an integral part of these consolidated financial statements.



Riyadh S. A. A. Edrees
Chairman



Dr. Syed Amir Ali
President &
CEO



Bader H.A.M.A. AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

Consolidated Statement of Profit and Loss Account

For The Year Ended December 31, 2025

	Note	2025	2024
		Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	28	420,481,313	494,310,357
Profit / return on deposits and other dues expensed	29	168,026,802	207,267,225
Net profit / return		252,454,511	287,043,132
OTHER INCOME			
Fee and commission income	30	29,751,322	25,838,191
Dividend income		379,920	626,540
Foreign exchange income		5,478,364	828,507
Gain on securities	31	989,329	3,511,916
Net loss on derecognition of financial assets measured at amortised cost	32	-	(186,473)
Other income	33	1,594,502	1,229,568
Total other income		38,193,437	31,848,249
Total income		290,647,948	318,891,381
OTHER EXPENSES			
Operating expenses	34	85,405,487	81,656,045
Workers' welfare fund	22.7	4,364,013	4,755,777
Other charges	35	80,701	435,343
Total other expenses		89,850,201	86,847,165
		200,797,747	232,044,216
Share of profit of associates	10.7	3,386,722	3,457,443
Profit before credit loss allowance / provisions		204,184,469	235,501,659
Credit loss allowance / provisions and write offs - net	36	3,885,731	9,222,405
Other income / expense items		-	-
PROFIT BEFORE TAXATION		200,298,738	226,279,254
Taxation	37	108,120,276	122,559,919
PROFIT AFTER TAXATION		92,178,462	103,719,335
Attributable to:			
Equity holders of the Holding company		90,717,235	102,689,081
Non-Controlling Interest		1,461,227	1,030,254
		92,178,462	103,719,335
		Rupees	
Basic earnings per share	38.1	50.47	57.28
Diluted earnings per share	38.2	50.15	56.96

The annexed notes 1 to 55 and annexure I form an integral part of these consolidated financial statements.



Riyadh S. A. A. Edrees
Chairman



Dr. Syed Amir Ali
President &
CEO



Bader H.A.M.A. AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For The Year Ended December 31, 2025

	Note	2025	2024
		Rupees in '000	
Profit after taxation for the year attributable to:			
Equity holders of the Holding Company		90,717,235	102,689,081
Non-Controlling Interest		1,461,227	1,030,254
		92,178,462	103,719,335
Other comprehensive (loss) / income			
Items that may be reclassified to consolidated statement of profit and loss account in subsequent periods:			
- Movement in surplus on revaluation of debt investments carried at FVOCI - net of tax		(8,654,674)	10,091,688
- Gain on sale of debt investments carried at FVOCI – reclassified to the consolidated statement of profit and loss account - net of tax		(455,513)	(1,613,480)
Items that will not be reclassified to the consolidated statement of profit and loss account in subsequent periods:			
- Movement in surplus on revaluation of equity investments carried at FVOCI - net of tax		1,588,360	2,231,135
- Remeasurement loss on defined benefit obligations - net of tax	41.6.2, 41.15 & 41.16	(63,561)	(223,223)
Total comprehensive income for the year		84,593,074	114,205,455
Attributable to:			
Equity holders of the Holding Company		83,126,491	113,180,271
Non-Controlling Interest	26	1,466,583	1,025,184
		84,593,074	114,205,455

The annexed notes 1 to 55 and annexure I form an integral part of these consolidated financial statements.



Riyadh S. A. A.
Edrees
Chairman



Dr. Syed Amir Ali
President &
CEO



Bader H.A.M.A.
AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

Consolidated Statement of Changes in Equity

For The Year Ended December 31, 2025

	Capital reserves					Revenue reserves	Surplus / (Deficit) on revaluation of		Unappropriated profit	Non - controlling interest	Total
	Share capital	Share premium	Statutory reserve*	Non - Distributable Capital Reserve - Gain on Bargain Purchase	Employee share option compensation reserve	General reserve	Investments	Non-banking Assets			
	Rupees in '000										
Balance as at January 01, 2024	17,912,532	2,626,441	30,617,082	3,117,547	654,321	91,082	10,920,597	-	122,528,058	1,549,609	190,017,269
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	-	-	1,188,390	-	25,760	-	1,214,150
Profit after taxation for the year	-	-	-	-	-	-	-	-	102,689,081	1,030,254	103,719,335
Other comprehensive income / (loss) for the year											
- Movement in surplus on revaluation of investments in debt instruments at FVOCI - net of tax	-	-	-	-	-	-	10,091,688	-	-	-	10,091,688
- Gain on sale of debt investments carried at FVOCI - reclassified to the consolidated statement of profit and loss account - net of tax	-	-	-	-	-	-	(1,613,480)	-	-	-	(1,613,480)
- Remeasurement loss on valuation of employee retirement benefits	-	-	-	-	-	-	-	-	(218,153)	(5,070)	(223,223)
- Movement in surplus on revaluation of equity investments carried at FVOCI - net of tax	-	-	-	-	-	-	2,231,135	-	-	-	2,231,135
Total other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	10,709,343	-	(218,153)	(5,070)	10,486,120
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(677,138)	-	677,138	-	-
Recognition of share based compensation (note 43)	-	-	-	-	590,777	-	-	-	-	-	590,777
Other appropriations											
Transfer to statutory reserve*	-	-	10,150,752	-	-	-	-	-	(10,150,752)	-	-
Transactions with owners recognised directly in equity											
Final cash dividend for the year 2023 @ Rs. 8 per share	-	-	-	-	-	-	-	-	(14,330,026)	-	(14,330,026)
First interim cash dividend for the year 2024 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,538,773)	-	(12,538,773)
Second interim cash dividend for the year 2024 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,563,185)	-	(12,563,185)
Third interim cash dividend for the year 2024 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,563,185)	-	(12,563,185)
	-	-	-	-	-	-	-	-	(51,995,169)	-	(51,995,169)
Dividend payout by the subsidiary (AMIML)	-	-	-	-	-	-	-	-	-	(661,150)	(661,150)
Issue of 3,487,520 shares under the Employees shares option scheme (note 38.4)	34,875	477,812	-	-	(299,231)	-	-	-	45,432	-	258,888
Balance as at December 31, 2024	17,947,407	3,104,253	40,767,834	3,117,547	945,867	91,082	22,141,192	-	163,601,395	1,913,643	253,630,220
Profit after taxation for the year	-	-	-	-	-	-	-	-	90,717,235	1,461,227	92,178,462
Other comprehensive (loss) / income for the year											
- Movement in surplus on revaluation of investments in debt instruments at FVOCI - net of tax	-	-	-	-	-	-	(8,654,674)	-	-	-	(8,654,674)
- Gain on sale of debt investments carried at FVOCI - reclassified to the consolidated statement of profit and loss account - net of tax	-	-	-	-	-	-	(455,513)	-	-	-	(455,513)
- Remeasurement loss on valuation of employee retirement benefits	-	-	-	-	-	-	-	-	(68,917)	5,356	(63,561)
- Movement in surplus on revaluation of equity investments carried at FVOCI - net of tax	-	-	-	-	-	-	1,588,360	-	-	-	1,588,360
Total other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	(7,521,827)	-	(68,917)	5,356	(7,585,388)
Recognition of share based compensation (note 43)	-	-	-	-	748,898	-	-	-	-	-	748,898
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(239,255)	-	239,255	-	-
Other appropriations											
Transfer to statutory reserve*	-	-	8,904,125	-	-	-	-	-	(8,904,125)	-	-
Transactions with owners recognised directly in equity											
Final cash dividend for the year 2024 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,563,185)	-	(12,563,185)
First interim cash dividend for the year 2025 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,563,185)	-	(12,563,185)
Second interim cash dividend for the year 2025 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,603,883)	-	(12,603,883)
Third interim cash dividend for the year 2025 @ Rs. 7 per share	-	-	-	-	-	-	-	-	(12,603,883)	-	(12,603,883)
	-	-	-	-	-	-	-	-	(50,334,136)	-	(50,334,136)
Issue of 5,813,938 shares under the Employees shares option scheme (note 38.4)	58,139	774,981	-	-	(469,823)	-	-	-	54,212	-	417,509
Dividend payout by subsidiary (AMIML)	-	-	-	-	-	-	-	-	-	(857,500)	(857,500)
Balance as at December 31, 2025	18,005,546	3,879,234	49,671,959	3,117,547	1,224,942	91,082	14,380,110	-	195,304,919	2,522,726	288,198,065

*This represents reserve created under section 21(i)(b) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 55 and annexure I form an integral part of these consolidated financial statements.

Riyadh S. A. A. Edrees
Chairman

Dr. Syed Amir Ali
President & CEO

Bader H.A.M.A. AIRabiah
Director

Tariq Mahmood Pasha
Director

Syed Imran Ali Shah
Chief Financial Officer

Consolidated Cash Flow Statement

For The Year December 31, 2025

	Note	2025	2024
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		200,298,738	226,279,254
Less: Dividend income		(379,920)	(626,540)
		199,918,818	225,652,714
Adjustments:			
Depreciation	34	7,314,322	6,029,566
Net profit / return		(256,688,058)	(290,912,217)
Amortisation	34	842,118	715,060
Depreciation on right-of-use assets	34	2,986,969	2,715,582
Amortisation of lease liability against right-of-use assets	29	4,233,547	3,869,085
Credit loss allowance / provisions and write offs - net	36	3,885,731	9,222,405
Charge for defined benefit plan	34.1	1,703,577	1,081,882
Share based compensation expense	43	748,898	590,777
Unrealised gain - FVTPL	31	(17,610)	(4,351)
Gain on sale of property and equipment	33	(554,150)	(370,856)
Share of profit of associates	10.7	(3,386,722)	(3,457,443)
		(238,931,378)	(270,520,510)
		(39,012,560)	(44,867,796)
(Increase) / decrease in operating assets			
Due from financial institutions		22,638,883	-
Islamic financing and related assets		(129,864,930)	(579,531,205)
Other assets		(10,417,484)	(14,407,092)
		(117,643,531)	(593,938,297)
Decrease / (increase) in operating liabilities			
Bills payable		(38,837,452)	72,881,231
Due to financial institutions		164,071,693	350,118,657
Deposits and other accounts		717,753,736	367,163,135
Other liabilities		55,927,640	46,055,348
		898,915,617	836,218,371
		742,259,526	197,412,278
Contribution to define benefit plan	41	(1,418,782)	(926,613)
Net profit / return received		433,017,401	512,171,961
Net profit / return paid	39.2	(168,685,551)	(210,896,912)
Income tax paid		(120,529,616)	(135,049,187)
Net cash generated from operating activities		884,642,978	362,711,527
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in amortised cost securities		(334,472,058)	(21,129,856)
Net investments in securities classified as FVOCI		(411,806,321)	(254,938,436)
Net divestment in securities classified as FVTPL		3,499,669	5,785,702
Net divestment in associates		558,839	239,668
Dividends received		379,920	626,540
Additions in property and equipment		(11,167,114)	(14,191,110)
Additions in intangible assets		(1,375,176)	(1,304,806)
Proceeds from sale of property and equipment	12.2.2	1,087,389	601,553
Net cash used in investing activities		(753,294,852)	(284,310,745)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets	19	(5,169,777)	(4,466,134)
Redemption of sub-ordinated sukus		(4,000,000)	-
Proceed against issue of shares	38.4	417,509	258,888
Dividend paid to equity holders of the Holding Company		(50,331,189)	(52,818,741)
Dividend paid to Non-Controlling Interest		(857,500)	(661,150)
Net cash used in financing activities		(59,940,957)	(57,687,137)
Increase in cash and cash equivalents		71,407,169	20,713,645
Cash and cash equivalents at the beginning of the year	39	272,080,803	251,391,156
Opening net credit loss allowance on cash and cash equivalents		-	(36,327)
		272,080,803	251,354,829
Impact of net credit loss allowance on cash and cash equivalents during the year	36	(12,133)	12,329
Cash and cash equivalents at the end of the year	39	343,475,839	272,080,803

The annexed notes 1 to 55 and annexure I form an integral part of these consolidated financial statements.



Riyadh S. A. A. Edrees
Chairman



Dr. Syed Amir Ali
President &
CEO



Bader H.A.M.A. AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

- (i) Meezan Bank Limited - Holding Company / Bank
- (ii) Al Meezan Investment Management Limited - Subsidiary Company
- (iii) Meezan Exchange Company (Private) Limited - Subsidiary Company

1.1.1 Holding Company - Meezan Bank Limited

Meezan Bank Limited (the Bank / Holding Company / MBL) was incorporated in Pakistan on January 27, 1997, as a public limited company under Companies Act, 2017 (previously, Companies Ordinance, 1984), and its shares are quoted on the Pakistan Stock Exchange Limited. The Bank was registered as an 'Investment Finance Company' on August 8, 1997, and carried on the business of investment banking as permitted under SRO 585(I)/87 dated July 13, 1987, in accordance and in conformity with the principles of Islamic Shariah. A 'Certificate of Commencement of Business' was issued to the Bank on September 29, 1997.

The Bank was granted a 'Scheduled Islamic Commercial Bank' license on January 31, 2002 and formally commenced operations as a Scheduled Islamic Commercial Bank with effect from March 20, 2002, on receiving notification in this regard from the State Bank of Pakistan (the SBP) under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.

The Bank was operating through one thousand one hundred and five branches as at December 31, 2025 (2024: one thousand and fifty one branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.

The VIS Credit Rating Company Limited (VIS) has reaffirmed the Bank's medium to long-term rating as 'AAA' and short-term rating as 'A1+' on June 30, 2025 (2024: 'AAA' and 'A1+' dated June 28, 2024).

1.1.2 Subsidiary Company - Al Meezan Investment Management Limited (AMIML) Percentage of holding

	2025	2024
Al Meezan Investment Management Limited - Subsidiary	65%	65%

Al Meezan Investment Management Limited ('the Subsidiary Company' or AMIML) is involved in asset management, investment advisory, portfolio management, equity research, underwriting and corporate finance.

The principal activities of the AMIML are floating and managing Collective Investment Schemes, Voluntary Pension Schemes and providing investment advisory services. Moreover, AMIML has also been granted the license under the NBFC Rules, 2003 to carry out REIT management services under Real Estate Investment Trust Regulations, 2015. The registered office of AMIML is situated at Ground Floor, Block B, Finance and Trade Centre, Shahr-e-Faisal, Karachi, Pakistan. AMIML is a subsidiary of Meezan Bank Limited (Holding Company) which owns 65% share capital of AMIML.

The AMIML has been assigned an Asset Manager rating of 'AM1' by the Pakistan Credit Rating Agency Limited (PACRA) dated May 15, 2025 (June 30, 2025: 'AM1' dated May 15, 2025) and 'AM1' by VIS Credit Rating Company Limited dated December 31, 2025 (June 30, 2025: 'AM1' dated December 31, 2024).

1.1.3 Subsidiary Company - Meezan Exchange Company (Private) Limited (MECL) Percentage of holding

	2025	2024
Meezan Exchange Company (Private) Limited - Subsidiary	100%	100%

Meezan Exchange Company (Private) Limited (the Subsidiary Company or MECL) was incorporated in Pakistan on November 14, 2023, as a private limited company under the Companies Act, 2017. MECL obtained license for commencement of operations from the State Bank of Pakistan (SBP) on March 22, 2024 for a period of three years. MECL is required to operate in accordance with the rules and regulations laid down by the State Bank of Pakistan (SBP) through Foreign Exchange Circular No. 9 dated July 30, 2002.

1.2 The Group's associates are as follows:

The Group considers the following open end funds managed by AMIML as its associates:

Meezan Islamic Fund (MIF)

Meezan Balanced Fund (MBF)

Al Meezan Mutual Fund (AMMF)

KSE Meezan Index Fund (KMIF)

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

Meezan Pakistan Exchange Traded Fund (MPETF)
Meezan Gold Fund (MGF)
Meezan Tahaffuz Pension Equity Sub Fund (MTPF-ESF)
Meezan Tahaffuz Pension Gold Sub Fund (MTPF-GSF)
Meezan Rozana Aamdani Fund (MRAF)
Meezan GOKP Pension Fund – Money Market Sub Fund
Meezan GOKP Pension Fund – Debt Sub Fund
Meezan GOKP Pension Fund – Equity Index Sub Fund
Meezan GOKP Pension Fund – Equity Sub Fund
Meezan Cash Fund
Meezan Islamic Income Fund
Meezan Asset Allocation Fund
Meezan Fixed Term Fund – MPMP 30
Meezan Fixed Term Fund – MPMP 31
Meezan Fixed Term Fund – MPMP 32
Meezan Punjab Pension Fund – Money Market Sub Fund

The country of establishment in respect of all of the above funds is Pakistan. Further, all the above funds are individual open-ended schemes and have been established by execution of trust deeds between AMIML and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

2 BASIS OF PRESENTATION AND CONSOLIDATION

2.1 These consolidated financial statements have been prepared from the information available in the audited financial statements of the Meezan Bank Limited (Holding Company) for the year ended December 31, 2025. These consolidated financial statements represent financial statements of Holding Company – Meezan Bank Limited and its subsidiaries. The assets and liabilities of the subsidiaries have been consolidated on a line-by-line basis and the investments held by the Holding Company is eliminated against the corresponding share capital of the subsidiaries in these consolidated financial statements.

These consolidated financial statements have been prepared in accordance with the format for preparation of the annual financial statements of the banks issued by the State Bank of Pakistan (SBP), vide its BPRD Circular No. 13 dated July 01, 2024.

These consolidated financial statements comprise of the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement together with the notes forming part thereof for the year ended December 31, 2025.

The associates have been accounted for in these consolidated financial statements under the equity method of accounting. For applying equity method financial statements of respective funds for the half year ended December 31, 2025 and 2024 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2025 have been used.

2.2 Subsidiaries are those enterprises in which the Holding Company directly or indirectly exercises control over investee, and / or beneficially owns or holds more than 50 percent of the voting securities or otherwise, has power to elect and appoint more than 50 percent of its directors. The financial statements of the subsidiaries are included in these consolidated financial statements from the date when the control commenced. The financial statements of AMIML and MECL have been consolidated on a line-by-line basis. The Group applies uniform accounting policies for similar transactions and events in similar circumstances except where specified otherwise.

Associates are entities over which the Group has a significant influence, but not control, over investee. The Group's share in an associate is the aggregate of the holding in that associate by the Holding Company and by the Subsidiaries. Investments in associates are accounted for under the equity method of accounting and are initially recognized at cost, thereafter for the post acquisition changes in the Group's share of net assets of the associates. The consolidated statement of profit and loss account reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (OCI) of associates is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. 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 (AMIML) attributable to interests which are not owned by the Holding Company.

All material intra-group balances and transactions have been eliminated.

The Holding Company has not recognised deferred tax arises from the investments in the subsidiaries (AMIML and MECL) as the Holding Company can control the timing of the reversal of the temporary differences arising from that investments (including the temporary differences arising from undistributed profits).

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. The accounting and reporting standards comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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 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.

3.2 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.

3.3 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.

3.4 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.

3.5 The Holding Company had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9.

The SBP has directed the Banks through its BPRD Circular Letter No. 01 dated January 22, 2025 to continue the existing revenue recognition methodology, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, profit / return earned on Islamic financing and related assets in consolidated statement of profit and loss account for the year ended December 31, 2025 would have been lower by Rs. 4,514 million (2024: Rs. 907.35 million) and taxation would have been lower by Rs. 2,392 million (2024: Rs. 489.97 million). Further, unappropriated profit in the consolidated statement of changes in equity would have been higher by Rs. 3,149 million (2024: Rs. 5,186 million).

In addition, the SBP in a separate instructions BPRD/RPD/822456/25 dated January 22, 2025 has allowed extension for application of Effective Profit Rate up to December 31, 2025. Currently, the Holding Company is in the process of finalising the impacts of application of effective profit rate on its financial assets and liabilities.

3.6 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year:

3.6.1 There are certain amendments to the published accounting and reporting standards that are mandatory for the Group's annual accounting period beginning on January 1, 2025. However, these are

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

not considered to be relevant or did not have any material effect on the Group's consolidated financial statements and have, therefore, not been disclosed in these consolidated financial statements.

3.7 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective:

3.7.1 There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Group for its annual periods beginning on or after January 1, 2026. However, these are not considered to be relevant or did not have any material effect on the Group's consolidated financial statement except for:

- The new standard - IFRS 18 'Presentation and Disclosure in the Financial statements' (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'consolidated statement of profit and loss account' with certain additional disclosures in the consolidated financial statements; and
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' clarify the timing of recognition and derecognition of certain financial instruments including settlement of liabilities through banking instruments and channels including electronic transfers. Further, guidance on the SPPI assessment, and disclosure requirements for instruments with cash flow modifying features and equity instruments designated at FVOCI has also been amended. These amendments are effective from January 1, 2026. The amendment when applied may impact the accounting and presentation of the financial instruments.

4 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention, except for certain non banking assets acquired in satisfaction of claims which are stated at revalued amounts, investment classified at fair value through profit or loss and fair value through other comprehensive income, commitments in respect of certain foreign exchange contracts which are measured at fair value, staff retirement benefits and compensated absences which are carried at present value.

4.1 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgments in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are 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.

Significant accounting estimates and areas where judgments were made by the management in the application of the material accounting policies are as follows:

- i) classification and fair valuation measurement of financial instruments (notes 6.1.1.1, 6.1.2.1, 6.3, 6.4, 7, 8, 9, 10, 11, 15, 16, 17 and 22);
- ii) credit loss allowance against financial instruments and off balance sheet obligations (notes 6.2, 7, 8, 9.3, 10.4.2, 11.8.6, 15.3 and 22.4);
- iii) accounting for defined benefit plan and compensated absences (notes 6.13, 6.14 and 41);
- iv) valuation and depreciation of property and equipment (notes 6.6.5, 6.6.7 and 12.2);
- v) valuation and amortisation of intangible assets (notes 6.6.5, 6.6.7 and 14);
- vi) impairment of non-financial assets (note 6.19);
- vii) valuation of non-banking assets acquired in satisfaction of claims (notes 6.9 and 15.2.1);
- viii) assumption and estimation in recognition of provision for taxation (current and prior years) and deferred taxation (notes 6.8 and 37);
- ix) determination of the lease term and incremental fund acceptance rate for lease contracts of various properties used by the Bank's branches and valuation of right-of-use assets and their related lease liability (notes 6.7, 13 and 19);
- x) Provisions, contingent assets and liabilities (notes 6.18, 22, and 27);
- xi) assumptions and estimates used in valuation of options under share-based compensation (notes 6.15 and 43); and
- xii) credit loss allowance / provision against other assets and other provisions (notes 6.21 and 15.3);

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 rupees unless otherwise stated.

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

6 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These are consistent with those applied to all the years presented.

6.1 Financial Instruments

6.1.1 Financial assets

6.1.1.1 Classification and subsequent measurement

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income (FVOCI); and
- Financial assets at fair value through profit or loss account (FVTPL).

The classification requirements for debt and equity instruments are described below:

Debt Instrument

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as financing, government and corporate sukuks.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Bank's business model for managing the asset; and
- (ii) the cash flows characteristics of the assets / SPPI test.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Profit earned from these financial assets is included in 'profit earned' using the effective profit rate method.
- **Fair value through other comprehensive income (FVOCI):** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, profit income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the consolidated statement of profit and loss account. When the financial asset is derecognised, the 'cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit and loss account and recognised in gain on sale of securities'. Profit earned from these financial assets is included in profit earned using the effective profit rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss and presented in the consolidated statement of profit and loss account within unrealised gain / loss on securities in the period in which it arises. Profit earned from these financial assets is included in profit earned on investments using the effective profit rate method.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model:

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Eventually, the financial assets fall under either of the following three business models:

- i) **Hold to Collect (HTC) Business Model:** Holding assets in order to collect contractual cash flows.
- ii) **Hold to Collect and Sell (HTC&S) Business Model:** Collecting contractual cash flows and selling financial assets.
- iii) **Other Business Models:** Resulting in classification of financial assets as FVTPL.

Cash flows characteristics assessment – Solely payment of principal and profit test:

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount). The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic financing arrangement, the related financial asset is classified and measured at FVTPL.

Debt instruments which fail the SPPI test

The Group holds a portfolio of debt instruments that failed to meet the 'solely payments of principal and profit' (SPPI) requirement for amortised cost and FVOCI classification under IFRS 9. These instruments contain provisions that, in certain circumstances, allow the issuer to fully convert the instrument into common shares or the issuer can also exercise the call option with prior approval of the SBP. This clause breaches the criterion that profit payments should only be consideration for credit risk and the time value of money on the principal. As a result, these instruments, were classified as FVTPL.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual share in the issuer's net assets.

The Group measures all equity investments at fair value through profit or loss (FVTPL), except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate the equity investments as FVOCI when those investments are held for purposes other than for trading. When this election is used, fair value gains and losses are recognised in the consolidated statement of other comprehensive income and are not subsequently reclassified to the consolidated statement of profit and loss account, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the consolidated statement of profit and loss account as income when the Group's right to receive payments is established.

Unquoted equity instruments are measured at fair value. Gains and losses on equity instruments at

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FVTPL are recognised in the 'Gain / (loss) on securities' FSLI in the consolidated statement of profit and loss account.

6.1.1.2 Impairment

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

6.1.1.3 Modification of loans

The Holding Company sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset (that is terms are not substantially different) in accordance with IFRS 9, the Holding Company recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in the consolidated statement of profit and loss account. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If the terms are substantially different, the Holding Company derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for credit loss allowance calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. Gain / (loss) on derecognition of such financial asset is recognised in the consolidated statement of profit and loss account.

6.1.1.4 Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when these have been transferred and either (i) the Holding Company transfers substantially all the risks and rewards of ownership, or (ii) the Holding Company neither transfers nor retains substantially all the risks and rewards of ownership and the Holding Company has not retained control.

The Holding Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Holding Company:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and sukuks) furnished by the Bank under due from and due to institutions are not derecognised because the Holding Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

6.1.2 Financial liabilities

6.1.2.1 Classification and subsequent measurement

All financial liabilities are being carried at amortised cost. Financial liabilities can also be designated at FVTPL where gains or losses arising from entity's own credit rating risk are required to be presented in other comprehensive income with no reclassification to the consolidated profit and loss account. The Group does not have any financial liability measured at FVTPL.

6.1.2.2 Derecognition

Financial liabilities are derecognised when these are extinguished (i.e. when the obligation

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specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original participants of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective profit rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of profit rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Holding Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. 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.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in consolidated statement of profit and loss account.

6.1.3 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

6.1.4 Measurement of the expected credit loss allowance

The Group assesses on a forward-looking basis the expected credit loss allowance (ECL) associated with Islamic financing and related assets and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and irrevocable unutilised financing commitments and other financial assets hereinafter referred to as "Financial Instruments". The Group recognises a credit loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' or remaining maturity, whichever is lower, expected credit loss (12mECL) as outlined below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months or remaining maturity after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

A 12-month ECL is recorded for Islamic financing and related assets and off-balance sheet obligations which do not meet the criteria for SICR or "credit impaired" as at the reporting date. Both lifetime and 12-month ECL are calculated at facility level. The credit loss allowance is increased by provisions charged to the consolidated statement of profit and loss account and is decreased by charge-offs, net of recoveries.

Effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

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The Holding Company has identified basis of ECL computation for following stages:

Stage 1 : No significant deterioration in credit quality of financial asset - 12 month expected credit loss.

Stage 2 : Significant deterioration in credit quality of financial asset since recognition - lifetime expected credit loss.

Stage 3 : Credit impaired - impairment determined on individual or collective basis over the lifetime.

The staging guidelines applicable on the Group has been adopted from the application instructions of IFRS - 9 issued by the SBP vide its BPRD circular 3 of 2023.

Particular	Classification	Days due	Stage allocation under IFRS 9	Provisions to be made
Prudential regulation for corporate	Performing	1-59	Stage 1	As per IFRS 9 ECL modelling
	Under-performing	60-89	Stage 2	
	Non-performing			
	Substandard	90-179	Stage 3	Whichever is higher: a) IFRS 9 ECL or b) PR's requirement
	Doubtful	180 or more days		
	Loss	one year or more		

* Other criteria have been mentioned in note 51.1.1.6.1

Definition of default

The concept of "impairment" or "default" is critical to the implementation of IFRS 9 as it drives determination of risk parameters i.e. PD and LGD.

The customer is more than 90 days past due on its contractual payments, except in case of agriculture, project infrastructure and housing financing. This implies that if one facility of a counterparty is defaulted as per the definition; all other facilities would deem to be classified as stage 3.

Further the following qualitative criteria have been determined for assessment of default:

- The Holding Company considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the Holding company to actions such as realising security (if held).
- The Holding Company makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Holding Company taking on the exposure.
- The Holding Company sells the credit obligation at a material credit-related economic loss.
- The Holding Company consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, profit or (where relevant) fees.
- The Holding Company has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the industry group.
- The obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the industry group.

SBP vide BPRD Circular No. 3 of 2022 dated July 5, 2022 has prescribed objective basis, based on Days Past Due, for classification of financing in stage 3. In addition to time based criteria, SBP requires Banks to evaluate and, where required, subjectively classify or further downgrade classification of financing. ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at Customer / Obligor / facility level for corporate / commercial / SME / Agri Financing portfolios and at segment / product basis for retail portfolio as prescribed by SBP vide BPRD Circular Letter No. 16 of 2024 dated July 29, 2024.

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Write-offs

The Holding Company's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework. Financing written off in accordance with the policy do not in any way prejudice the Bank's right of recovery from the customer.

6.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts, national prize bonds, overdrawn nostro accounts, placements and investments having original maturity of three months or less.

6.3 Due to / from financial institutions

Bai Muajjal

In Bai Muajjal, the Group sells sukuk 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. Bai Muajjal with the Federal Government is classified as investment.

Musharaka / Mudaraba

In Musharaka / Mudaraba, the Group (or the counterparty financial institutions / the SBP) invests in the shariah compliant business pools of the counterparty financial institutions / the SBP (or the Group) at the agreed profit and loss sharing ratio.

Musharaka from the SBP under IERS

Under IERS, the Group accepts funds from the SBP under Shirkat-ul-aqd to constitute a pool for investment in export refinance portfolio of the Group under the guidelines issued by the SBP. The profit of the pool is shared as per the agreed weightages between the partners.

Mudaraba investment from the SBP under various long term Islamic refinance schemes

Under various long term Islamic refinance schemes of the SBP, the Group accepts funds from the SBP which are received on Mudaraba basis for investment in general pool of the Group. The profit of the pool is shared as per the announced profit sharing ratio of the pool and the weightages assigned to these investments.

The mudaraba investments from the SBP are initially recognised at amount of funds accepted except for an investment from SBP under Islamic Temporary Economic Refinance Facility (ITERF).

The Islamic Temporary Economic Refinance Facility (ITERF) mudaraba investment from the SBP is recorded at present value on initial recognition discounted at market rate. The difference between the fair value of the financial liability and the amount accepted is recognised as gain / (loss) in the consolidated statement of profit and loss account. Unwinding of an expense on fair value adjustment is also recognised in the consolidated statement of profit and loss account.

6.4 Islamic financing and related assets

Murabaha

In Murabaha transactions, the Group purchases the goods and after taking the possession, sells them to the customer on cost plus disclosed profit basis either in a spot or credit transaction.

Ijarah

Ijarah assets are stated at cost less depreciation and are disclosed as part of 'Islamic financing and related assets'. The rental received / receivable on Ijarah under Islamic Financial Accounting Standard - 2 'Ijarah' (IFAS 2) are recorded as income / revenue. The Group charges depreciation from the date of recognition of Ijarah of respective assets to mustajir. Ijarah assets are depreciated over the period of Ijarah using the straight line method. Ijarah rentals outstanding are disclosed in 'other assets' on the Statement of Financial Position at amortised cost. Impairment of Ijarah assets is determined in accordance with the Prudential Regulations issued by the SBP. The provision for impairment of Ijarah assets is shown as part of 'Islamic financing and related assets'.

Istisna

In Istisna financing, the Group places an order to purchase some specific goods / commodities from its customers to be delivered to the Group within an agreed time. The goods are then sold by the customer on behalf of the Group and the amount hence financed along with profit realised net of agency fee and incentives

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is paid to the Group.

Tijarah

In Tijarah financing, the Group purchases specific goods / commodities on cash basis from its customers which is then onward sold by the customer on behalf of the Group and on subsequent sale, the financed amount along with profit realised net of agency fee and incentives is paid by the customer to the Group.

Diminishing Musharakah

In Diminishing Musharakah financing, the Group enters into Musharakah based on Shirkat-ul-milk for purchasing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers. The customers pay periodic profit as per the agreement for the utilisation of the Group's Musharakah share and also periodically purchase the Group's share over the tenure of the transaction.

However, the Diminishing Musharakah financing disbursed under Islamic Temporary Economic Refinance Facility (ITERF) and under staff financing policy is recorded at fair value on initial recognition discounted at prevailing market rate. The difference between the fair value of the financial asset and the amount disbursed is recorded as gain / (loss) and unwinding of income on fair value adjustment is recognised in the consolidated statement of profit and loss account.

Running Musharakah

In Running Musharakah financing, the Group enters into financing with the customer based on Shirkatul Aqd or business partnership in the customer's operating business. Under this mechanism, the customer can withdraw and return funds to the Group subject to his Running Musharakah financing limit during the Musharakah period. At the end of each quarter / half year 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 accounts of the customer.

Bai Muajjal

In Bai Muajjal financing, the Group 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.

Service Ijarah

In Service Ijarah financing, the Group provides financing by acquiring certain agreed services from the customer. After the purchase of services, the Group 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.

Wakalah

Wakalah is an agency or a delegated authority where the Muwakkil (principal) appoints the Wakil (agent) to carry out a specific job on behalf of the Muwakkil. Funds disbursed are initially recorded as 'Advance against Wakalah'. On culmination, the same are recorded as financings.

Wakalah tul Istithmar

In Wakalah tul Istithmar financing, the Group enters into investment agency transaction with customer acting as an agent of the Group. Under this mechanism, the funds disbursed are invested by the customer on behalf of the Group and are recorded as financing upon their investment in the business. At the end of each quarter / half year / other defined period, the customer pays the provisional profit which is subject to adjustment upon actual declaration of Wakala business performance by the agent.

Musawammah

In Musawammah financing, the Group purchases the goods and after taking the possession, sells them to the customer either in spot or credit transaction, without disclosing the cost.

6.4.1 Funds disbursed, under financing arrangements for purchase of goods / assets are recorded as an advance. On culmination, financing are recorded at the deferred sale price net of profit. Goods purchased but remaining unsold at the consolidated statement of financial position date are recorded as inventories as disclosed in note 6.6.3.

6.4.2 Credit loss allowance / provision against non-performing Islamic financing and related assets

Islamic financing and related assets are stated net of credit loss allowance / provision held against non-performing Islamic financing and related assets in accordance with the requirements of the

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Prudential Regulations and IFRS 9 application instructions issued by the SBP as disclosed in note 6.4 which are charged to the consolidated statement of profit and loss account. In addition to the above the Holding Company has also maintained a general provision in respect of financing against potential losses as may be present in the portfolio as disclosed in note 11.8. This provision is based on management's best estimate and is approved by the Board of Directors of the Holding Company.

The net ECL / provision made / reversed during the year is charged to the consolidated statement of profit and loss account and accumulated ECL / provision is netted off against Islamic financing and related assets. Islamic financing and related assets are written off when there are no realistic prospects of recovery.

6.4.3 Inventories

The Group values its inventories at the lower of cost and net realisable value.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Cost of inventories represents actual purchases made by the Group / customers as an agent of the Group for subsequent sale. Inventory against each contract is maintained on specific identification method.

6.5 Investments

Investments include Federal Government securities, shares, units of mutual funds, non-Government sukuks, foreign securities, associates and subsidiaries. Classification and measurement of investments have been disclosed in note 6.1.

6.5.1 Associates are all entities over which the Group has significant influence but not control. Certain mutual funds are managed by the subsidiary company of the Group and hence, the Group has significant influence over such funds and therefore, investment in these mutual funds are considered as investment in associates in these consolidated financial statements. Investment in associates are accounted for under equity method of accounting in the consolidated financial statements.

6.5.2 Regular way contracts

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at the trade date, which is the date on which the Group commits to purchase or sell the investments.

6.6 Property and equipment and intangible assets

6.6.1 Property and equipment

They are stated at cost less accumulated depreciation and any identified impairment loss. Items of property and equipment costing Rs. 40,000 or less are not capitalised and are charged off in the month of purchase. An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Profit or loss on disposal of property and equipment is included in the consolidated statement of profit and loss account.

6.6.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures 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.

6.6.3 Intangible assets

Intangible assets comprise of computer software. Intangible assets with definite useful lives are stated at cost less accumulated amortisation and impairment losses (if any).

6.6.4 Subsequent costs related to property and equipment and intangible assets

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 repairs and maintenance expenditure are charged to the consolidated statement of profit and loss account as and when incurred.

6.6.5 Depreciation / amortisation related to property and equipment and intangible assets

Depreciation / amortisation is charged to the consolidated profit and loss account by applying the straight line method in accordance with the rates specified in notes 12.2 and 14.1 whereby the

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depreciable value of an asset is written off over its estimated service life. The Group charges depreciation / amortisation from the month of acquisition and up to the month preceding the disposal. Right-of-use assets are depreciated on a straight line basis over the lease term specified in note 13.

6.6.6 Useful lives and residual values related to property and equipment and intangible assets

Useful lives, residual values and depreciation method are reviewed at each reporting date and adjusted if impact on depreciation / amortisation is significant

6.6.7 Impairment related to property and equipment and intangible assets

The Group assesses at each reporting date whether there is any indication that the operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in the consolidated statement of profit and loss account.

6.7 Right-of-use assets and lease liabilities

Right-of-use 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. The right-of-use assets are presented within note 13 and are subject to impairment in line with the Group's policy as described in note 6.19.

Lease liabilities

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.

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 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 Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental fund acceptance rate to measure lease liabilities.

Incremental fund acceptance rate

The Incremental fund acceptance rate is the rate of profit that the Group would have to pay to accept its fund over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6.8 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the consolidated statement of 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

The charge for current taxation is based on expected taxable income for the year in accordance with the prevailing laws of taxation. The charge for current tax also includes adjustments to tax payable in respect of previous years including those arising from assessments finalised during the year and are separately disclosed.

Prior years

This charge includes tax charge for prior years arising from assessments, changes in estimates and change in law.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the

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carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to initial recognition of goodwill, initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by 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 assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

In making the estimates for current and deferred taxes, the management considers the income tax law and the decisions of appellate authorities on certain issues in the past.

6.9 Non-banking assets acquired in satisfaction of claims

The non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. The useful lives are reviewed annually and adjusted, if appropriate. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of property, if any, is credited to the 'surplus on revaluation of assets' account in the statement of other comprehensive income. Any deficit arising on revaluation is taken to consolidated statement of profit and loss account directly. On derecognition of the assets, the cumulative gain or loss previously reported in other comprehensive income is transferred directly to unappropriated profit in the consolidated statement of changes in equity. Legal fees, transfer cost and direct cost of acquiring title to property is charged to the consolidated statement of profit and loss account.

6.10 Deposits

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current accounts' and Deposits generated on Mudaraba basis are classified as 'Savings deposits' and 'Fixed deposits'. No profit or loss is passed on to current account depositors, however the funds of current accounts are treated as equity for the purpose of profit calculation and any profit earned / loss incurred on those funds are allocated to the equity of the Group. While the product features of each product differ, there is usually no restriction on withdrawals or number of transactions in current and savings accounts. In case of fixed 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. Mudarib can distribute its share of profit to Rab-ul-Maal as Incentive profits (Hiba).

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.

Asset pools are created at the Group's discretion and the Group can add, amend or transfer an asset to any other pool in the interests of the deposit holders.

6.11 Sub-ordinated Sukuks

The Group records sub-ordinated sukuk initially at the amount of proceeds received. Profit accrued on sub-ordinated sukuk is charged to the consolidated statement of profit and loss account. These are subsequently measured at amount outstanding.

6.12 Pool Management

The Group operates general and specific pools for deposits and inter-bank funds accepted / acquired under Mudaraba and Musharakah modes.

Under the general deposits pools, the Group accepts funds on Mudaraba basis from depositors (Rab-ul-Maal) where the Group acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financing, investments and placements. When utilising investing funds, the Group prioritises the funds received from depositors over the funds generated from own sources after meeting the regulatory requirement relating to such deposits.

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Specific pools are operated for funds acquired / accepted from the State Bank of Pakistan and other banks for Islamic Export Refinance to the Group's customers and liquidity management respectively under the Musharakah / Mudaraba modes.

The profit of each deposit pool is calculated on all the remunerative assets booked by utilising the funds from the pool after deduction of expenses directly incurred in earning the income of such pool along with related fee income, if any. The directly related costs comprise of depreciation on ijarah assets, takaful premium, documentation charges etc. No expense of general or administrative nature is charged to the pools. No provision against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset. The profit of the pool is shared between equity and other members of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee. During the year, the Group has given General Hiba to the depositors of General Pools, keeping in view the prescribed guidelines of Pool Management provided by the SBP and with the approval of the Group's Resident Shariah Board Member. However, Hiba are given at the sole discretion of the Group without any contractual commitment and can be withdrawn or reduced by the Group at its sole discretion.

The risk characteristic of each pool mainly depends on the assets and liabilities profile of each pool. As per the Group's policy, relatively low risk / secured financing transactions and assets are allocated to general depositors pool of Rupee, USD, GBP and Euro. The Group maintains General Pools (Rupee, USD, EUR, GBP), FI Pools, IERS pool and Equity pool. The general pools are exposed to general credit risk, asset ownership risk and profit rate risk of the underlying assets involved.

General Pools:

For General Pools (Rupee, USD, EUR, GBP), the Bank allocates PKR financing to Corporate, Commercial, SME and Consumer Finance customers in diversified sectors and avenues of the economy / business as mentioned in note 51.1.2.3. Investments in Sovereign Guaranteed Sukuk, and Bai Muajjal with the State Bank of Pakistan / Government of Pakistan, are also done through General Pools. All remunerative deposits are tagged to these general pools and their funds generated from the depositors are invested on priority basis. Investments from the SBP under various long term Islamic refinance schemes, and sub-ordinated sukuk are also remunerated through the Rupee General Pool. Due to limited investment options in USD, GBP and EURO pool, funds from foreign currency pools are invested in available International Sukuk, Shariah Compliant Nostro accounts, foreign currency financing and the remaining funds are taken out and invested in Rupee general pool as part of equity. In such cases return from Rupee General Pool is given back to foreign currency pools, so that returns can be passed on to foreign currency pool customers accordingly. The Holding Company as Mudarib in the general pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

IERS Pools:

The IERS pool assets comprise of sovereign guaranteed sukuk, and financing to / sukuk of mainly blue chip companies and exporters as allowed under the applicable rules and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

FI / Special Pools:

The FI / Special pool assets generally comprise of sovereign guaranteed sukuk and financing under diminishing musharakah mode only (including those relating to consumer financing) and the related liability of the FI / special pools comprise of Musharakah / Mudarabah from corporates, other banks, financial institutions, high networth individuals etc. These pools are created to meet the liquidity requirements of the Group, to place special deposits or to finance growth in specific assets. Return earned from these pools is derived from the underlying assets and is distributed to customers as per applicable profit sharing ratio.

Equity Pools:

All other assets including fixed assets, exposure in shares, Rupee bai-salam financing and subsidised financing to the Group's employees are tagged to equity pool. To safeguard the interest of customers, all high risk investments are also done through equity pool. The Holding Company as Mudarib in the equity pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

6.13 Staff retirement benefits

Defined benefit plan

The Holding Company operates an approved Gratuity Funded Scheme for its permanent employees. The scheme was approved by the tax authorities in April 2000. The liability recognised in respect of Gratuity Funded Scheme is the present value of the defined benefit obligation at the reporting date less the fair value

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For The Year Ended December 31, 2025

of plan assets. Contributions to the fund are made on the basis of actuarial recommendations. The defined benefit obligation is calculated periodically by an independent actuary using the projected unit credit method. The last valuation in respect of gratuity of Holding Company was conducted as on December 31, 2025.

The Holding Company was also operating an End of Service Unfunded Defined Benefit Scheme as approved by the Board of Directors for the benefit of the founding President and Ex-Chief Executive Officer of the Holding Company. During, the year the scheme has matured upon the retirement of the Ex-Chief Executive Officer. Accordingly, no remeasurement gain / loss has been recorded in the consolidated statement of comprehensive income.

Amounts arising as a result of "Remeasurements" of gratuity funded scheme, representing the actuarial gains and losses and the difference between the actual investment returns and that implied by the net return cost are recognised in the consolidated statement of financial position immediately, with a charge or credit to "other comprehensive income" in the periods in which they occur. The actuarial valuations involve assumption and estimates of discount rates, expected rates of return on assets, future salary increases and future inflation rates as disclosed in note 41.

Defined contribution plan

The Holding Company and the Subsidiary Company (AMIML) also operates a recognised contributory Provident Fund for all permanent employees. Equal monthly contributions are made, both by the Group and the employees, to the funds at a rate of 10% of basic salary.

6.14 Compensated absences

The Holding Company and the Subsidiary Company (AMIML) recognises liability in respect of employees compensated absences in the period in which these are earned up to the reporting date of statement of financial position. The provision is recognised on the basis of actuarial valuation conducted on December 31, 2025 using the projected unit credit method.

6.15 Share-based compensation

The Holding Company has granted share options to its employees under the Meezan Bank Employees Share Option Scheme, 2021 as approved by the shareholders and SECP. The cost of these share options is determined by the fair value at the date when the grant is made using a valuation model by an independent valuer and is recognised as expense over the vesting period together with a corresponding credit in equity - Employee share option compensation reserve (Note 43). The dilutive effect of outstanding options (if any) is reflected as share dilution in the computation of diluted earnings per share. When the options are exercised, employee share option compensation reserve relating to these options is transferred to share capital and share premium. Portion of employee share option compensation reserve relating to options not exercised is transferred to unappropriated profit.

6.16 Dividend and reserves

Dividend declared and appropriations, except for transfer to statutory reserve, made subsequent to the reporting date are considered as non adjusting events and are recorded as a liability in the consolidated financial statements in the year in which these are approved by the directors / shareholders as appropriate.

6.17 Foreign currency transactions

Transactions and balances

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's consolidated statement of profit and loss account.

Commitments

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.

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For The Year Ended December 31, 2025

Translation gains and losses are included in the consolidated statement of profit and loss account.

6.18 Provisions and contingent assets and liabilities

Provisions are recognised when the Group has a present legal or constructive obligation arising as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent assets are not recognised, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed unless the probability of an outflow of resources embodying economic benefits are remote.

6.19 Impairment of non-financial assets

The carrying amount of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

6.20 Credit loss allowance for claims under guarantees and other off balance sheet obligations

Credit loss allowance for guarantee claims and other off balance sheet obligations is recognised when reasonable certainty exists for the Group to settle the obligation. The charge to the consolidated statement of profit and loss account is stated net of expected recoveries and credit loss allowance against off-balance obligations is recognised in other liabilities.

6.21 Other credit loss allowance

Other credit loss allowance are recognised when the Group has a present, 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 estimate.

6.22 Acceptances, guarantees and letters of credit

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are accounted for as on-balance sheet transactions and related balances are disclosed under other assets and other liabilities.

The Group issues guarantees and letters of credit. These are disclosed in the consolidated statement of financial position as part of contingencies and commitments.

6.23 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

6.24 Revenue recognition

Revenue from contract with customers is earned by the Group in the form funded and non-funded revenue. The Group is in the business of providing financing, trade, investment banking, wealth management, home remittance, cash management, branch banking (including card and ADC) related services to the customers, investment advisory services and foreign exchange services. Revenue from contracts with customers is recognised when or as the Group satisfies the performance obligation, either over time or at a specific point of time at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services rendered or financing provided to the customers.

- i) Profit on Murabaha (including Commodity Murabaha) and Musawammah is recognised on an accrual basis. Profit on Murabaha and Musawammah transactions for the period from the date of disbursement to the date of culmination of Murabaha and Musawammah is recognised immediately upon the later date in line with IFAS requirements.

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For The Year Ended December 31, 2025

- ii) Rentals on Ijarah contracts are recognised as income on an accrual basis in line with IFAS requirements.
- iii) Profit on Bai Muajjal transaction is recognised on an accrual basis.
- iv) Profit on Diminishing Musharakah financing is recognised on an accrual basis.
- v) Profit on Running Musharakah financing is recognised on an accrual basis and is adjusted upon declaration of profit by Musharakah partners.
- vi) Profit on Tijarah and Istisna financing is recognised on an accrual basis commencing from time of sale of goods till the realisation of sale proceeds by the Holding Company.
- vii) Profit on Service Ijarah is recognised on an accrual basis commencing from the date of confirmation of sale.
- viii) Profit on Wakalah tul Istithmar / Wakalah is recognised on an accrual basis and commensurate with the Wakalah business performance / work done by the agent.
- ix) 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.
- x) Commission on letters of credit, acceptances and guarantees is recognised on receipt basis, except for commission on guarantees in excess of Rs. 250,000 which is recognised over the period of the guarantee. Fee and brokerage income are recognised when earned.
- xi) The Group earns fee and commission income from certain non-funded banking services. The related fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. The recognition of fee and commission income depends on the purpose for which the fees are received. The majority share of the income classified as card related fees (debit cards), commission on trade and commission on remittances constitutes revenue from contracts with customers. Fee and commission income is recognised when or as an entity satisfies the performance obligation, either over time or at a specific point of time. Unearned fees and commissions are included under Other liabilities.
- xii) Dividend income is recognised when the Group's right to receive dividend is established.
- xiii) Gain or loss on sale / modification of investments is included in the consolidated statement of profit and loss account in the period in which they arise.
- xiv) Gain or loss on disposal of property and equipment, intangible assets, Ijarah assets and Musharakah assets is taken to the consolidated statement of profit and loss account in the period in which they arise.
- xv) 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.
- xvi) Management fee from collective investment schemes and voluntary pension scheme is calculated by charging the specified rates within the limit allowed under the NBFC Regulations to the net assets of such schemes as at the close of business of each calendar day. The performance obligation is satisfied at the close of business day for each scheme and payment is generally due at the end of each month.
- xvii) Sales load income is recognised once the services are provided to the unit holders in connection with their investments in collective investment schemes managed by the Subsidiary Company (AMIML). The performance obligation is satisfied at the time of providing the service to the unit holders and payment becomes due at the end of each month.
- xviii) Investment advisory fee from the advisory portfolios is calculated on a daily basis by charging specified rates to the net assets of the portfolios as stated in the respective agreements with the clients. The performance obligation is satisfied at the close of business day for each portfolio and payment is generally due either at the end of each month or quarter based on the agreement terms.

6.25 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

6.26 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. EPS is retrospectively adjusted for the effect of bonus shares issued.

Diluted EPS is calculated by dividing the net profit attributable to the equity holders of the Holding Company (after adjusting for return and related tax impact) on the convertible instruments / share options by the weighted

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average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion / exercise of all the dilutive potential ordinary shares into ordinary shares.

6.27 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format of reporting is based on business segments. Operating segments are reported in a manner consistent with the internal reporting provided to the management. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

6.27.1 Business segments

Corporate and Commercial Banking

It includes trade finance, export finance, project finance, Ijarah, guarantees and bills of exchange relating to its Corporate, Commercial and SME customers, investment banking, syndications, IPO related activities (excluding investments), secondary private placements, underwriting and securitisation.

Retail Banking

It includes retail financing, deposits and banking services offered to its retail customers.

Asset Management

It includes floating and managing Collective Investment Schemes, Voluntary Pension Schemes and providing investment advisory services.

Trading and Sales

It includes equity, foreign exchanges, commodities, own securities and placements.

Others

It includes functions which cannot be classified in any of the above segments.

6.27.2 Geographical segments

The operation of the Group are currently based only in Pakistan.

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

	Note	2025	2024
7 CASH AND BALANCES WITH TREASURY BANKS		Rupees in '000	
In hand			
- local currency		53,226,583	54,305,113
- foreign currencies		3,001,974	4,350,552
		56,228,557	58,655,665
With the State Bank of Pakistan in			
- local currency current account		177,334,102	147,811,687
- foreign currency current accounts		17,725,572	15,694,215
	7.1	195,059,674	163,505,902
With the National Bank of Pakistan in			
- local currency current accounts		79,533,880	38,694,972
National prize bonds	7.2	270	22,945
Less: Credit loss allowance held against cash and balances with treasury banks		(12,100)	(6,117)
Cash and balances with treasury banks - net of credit loss allowance		330,810,281	260,873,367
7.1	These include local and foreign currency amounts required to be maintained by the Holding Company with the SBP under the Banking Companies Ordinance, 1962 and / or stipulated by the SBP. These accounts are non-remunerative in nature.		
7.2	These represent the national prize bonds received from customers for onward surrendering to SBP. The Holding Company, as a matter of Shariah principle, does not deal in prize bonds.		
8 BALANCES WITH OTHER BANKS	Note	2025	2024
		Rupees in '000	
In Pakistan			
- in current accounts		11,919,194	10,575,044
- in deposit accounts	8.1	467	15,600
Outside Pakistan			
- in current accounts		3,542,098	2,437,740
- in deposit accounts	8.2	-	280,223
		3,542,098	2,717,963
Less: Credit loss allowance held against balances with other banks		(22,695)	(17,881)
Balances with other banks - net of credit loss allowance		15,439,064	13,290,726
8.1	Savings accounts of the Group carry profit rates ranging from to 6.00% to 10.65% (December 31, 2024: 4.28% to 11.0%) per annum.		
8.2	This represents the balance in the remunerative account maintained with financial institutions outside Pakistan. The return on these balances are Nil (2024: 3.50%) per annum.		
9 DUE FROM FINANCIAL INSTITUTIONS	Note	2025	2024
		Rupees in '000	
Bai Muajjal receivable:			
- from scheduled bank / financial institution - secured		-	34,964,299
- from other financial institution		15,500	15,500
		15,500	34,979,799
Musharakah placements - outside Pakistan - unsecured	9.1	12,325,416	-
	9.2	12,340,916	34,979,799
Less: Credit loss allowance against due from financial institutions	9.3	(15,691)	(15,500)
Due from financial institutions - net of credit loss allowance		12,325,225	34,964,299

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

- 9.1 The average return on this product is 3.80% (2024: Nil) per annum. These balances have matured in January 2026.

	2025	2024
	Rupees in '000	
9.2 Particulars of due from financial institutions		
In local currency	15,500	34,979,799
In foreign currency	12,325,416	-
	<u>12,340,916</u>	<u>34,979,799</u>

9.3 Particulars of credit loss allowance against due from financial institutions

	2025		2024	
	Due from financial institutions	Credit loss allowance	Due from financial institutions	Credit loss allowance
	Rupees in '000			
Domestic				
Stage 1 / Performing	8,403,693	13	34,964,299	-
Stage 2 / Under performing	3,921,723	178	-	-
Stage 3 / Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	15,500	15,500	15,500	15,500
	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>
Total	<u>12,340,916</u>	<u>15,691</u>	<u>34,979,799</u>	<u>15,500</u>

9.3.1

	2025				2024				
	Expected Credit Loss			Total	Expected Credit Loss			Specific	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		
	Rupees in '000								
Opening balance	-	-	15,500	15,500	-	-	-	15,500	15,500
Implementation of IFRS 9	-	-	-	-	-	-	15,500	(15,500)	-
Balance as at January 01 after implementing IFRS 9	-	-	15,500	15,500	-	-	15,500	-	15,500
Transfer to stage 1	-	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	-	-	15,500	15,500	-	-	15,500	-	15,500
Fresh disbursements	13	178	-	191	-	-	-	-	-
Amount derecognised / repaid	-	-	-	-	-	-	-	-	-
Amounts written off / charged off	-	-	-	-	-	-	-	-	-
Unwind of discount	-	-	-	-	-	-	-	-	-
Changes in risk parameters / other changes	-	-	-	-	-	-	-	-	-
	13	178	-	191	-	-	-	-	-
Balance at the end of the year	13	178	15,500	15,691	-	-	15,500	-	15,500

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10 INVESTMENTS

10.1 Investments by types

		Note	2025				2024			
			Cost / Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying Value
Rupees in '000										
Debt Instruments										
Classified / measured at FVOCI										
- Federal Government securities	10.5.1		2,078,057,070	-	22,244,965	2,100,302,035	1,317,019,755	-	37,668,822	1,354,688,577
- Non Government sukuks	10.5.4		10,357,825	319,897	22,659	10,060,587	126,955,924	346,737	3,711,417	130,320,604
- Foreign securities	10.5.5		10,808,893	1,186	62,451	10,870,158	4,028,707	429	(70,608)	3,957,670
			2,099,223,788	321,083	22,330,075	2,121,232,780	1,448,004,386	347,166	41,309,631	1,488,966,851
Classified / measured at amortised cost										
- Federal Government securities	10.6 & 10.2.2		454,704,626	-	-	454,704,626	362,885,471	-	-	362,885,471
			454,704,626	-	-	454,704,626	362,885,471	-	-	362,885,471
Instruments mandatorily classified / measured at FVTPL										
- Federal Government securities			909,861	-	-	909,861	4,778,499	-	-	4,778,499
- Units of open-ended mutual funds			76,383	-	19,594	95,977	59,150	-	7,483	66,633
- Non Government sukuks			1,284,736	-	6,564	1,291,300	933,000	-	1,066	934,066
			2,270,980	-	26,158	2,297,138	5,770,649	-	8,549	5,779,198
Equity instruments										
Classified / Measured at FVOCI (Non-reclassifiable)										
- Shares										
- Listed companies	10.5.2		9,234,270	-	7,565,991	16,800,261	5,708,407	-	4,804,705	10,513,112
- Unlisted companies	10.5.3		318,638	-	62,496	381,134	604,679	-	13,148	617,827
- Foreign company (SWIFT)	10.5.5		10,389	-	-	10,389	10,389	-	-	10,389
			9,563,297	-	7,628,487	17,191,784	6,323,475	-	4,817,853	11,141,328
Associates										
- Units of open-ended mutual funds	10.7		12,907,876	-	-	12,907,876	10,079,993	-	-	10,079,993
Total Investments			2,578,670,567	321,083	29,984,720	2,608,334,204	1,833,063,974	347,166	46,136,033	1,878,852,841

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10.2 Investments by segments

	Note	2025				2024			
		Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Rupees in '000									
Federal Government Securities									
- Ijarah Sukuks	10.2.2, 10.5.1 & 10.6	2,142,466,031	-	22,244,965	2,164,710,996	1,658,851,652	-	37,668,822	1,696,520,474
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)		390,295,665	-	-	390,295,665	21,053,574	-	-	21,053,574
- Islamic Naya Pakistan Certificates		909,861	-	-	909,861	4,778,499	-	-	4,778,499
		2,533,671,557	-	22,244,965	2,555,916,522	1,684,683,725	-	37,668,822	1,722,352,547
Shares and units of mutual fund									
Listed companies	10.5.2	9,234,270	-	7,565,991	16,800,261	5,708,407	-	4,804,705	10,513,112
Unlisted companies	10.5.3	318,638	-	62,496	381,134	604,679	-	13,148	617,827
Units of open-ended mutual funds		76,383	-	19,594	95,977	59,150	-	7,483	66,633
		9,629,291	-	7,648,081	17,277,372	6,372,236	-	4,825,336	11,197,572
Non Government Sukuks									
Listed	10.2.1 & 10.5.4	-	-	-	-	114,348,701	-	3,696,976	118,045,677
Unlisted	10.5.4	11,642,561	319,897	29,223	11,351,887	13,540,223	346,737	15,507	13,208,993
		11,642,561	319,897	29,223	11,351,887	127,888,924	346,737	3,712,483	131,254,670
Foreign Securities									
Government sukuks	10.5.5	9,969,644	1,042	47,205	10,015,807	3,194,577	326	(67,060)	3,127,191
Non Government sukuks		839,249	144	15,246	854,351	834,130	103	(3,548)	830,479
Shares		10,389	-	-	10,389	10,389	-	-	10,389
		10,819,282	1,186	62,451	10,880,547	4,039,096	429	(70,608)	3,968,059
Associates									
Meezan Balanced Fund	10.7	531,296	-	-	531,296	448,920	-	-	448,920
Al-Meezan Mutual Fund		1,619,538	-	-	1,619,538	1,711,441	-	-	1,711,441
Meezan Islamic Fund		6,262,877	-	-	6,262,877	2,262,620	-	-	2,262,620
Meezan Asset Allocation Fund		389,162	-	-	389,162	-	-	-	-
KSE Meezan Index Fund		651,031	-	-	651,031	2,473,002	-	-	2,473,002
Meezan Pakistan Exchange Traded Fund		23,579	-	-	23,579	21,076	-	-	21,076
Meezan Fixed Term Fund - MPMP 30		509,233	-	-	509,233	-	-	-	-
Meezan Fixed Term Fund - MPMP 31		505,898	-	-	505,898	-	-	-	-
Meezan Fixed Term Fund - MPMP 32		296,613	-	-	296,613	-	-	-	-
Meezan Tahaffuz Pension - Gold sub-fund		91,602	-	-	91,602	62,343	-	-	62,343
Meezan Tahaffuz Pension - Equity sub-fund		480,401	-	-	480,401	341,960	-	-	341,960
Meezan Punjab Pension Fund - Money Market Sub Fund		505	-	-	505	-	-	-	-
Meezan Gold Fund		781,367	-	-	781,367	526,395	-	-	526,395
Meezan Rozana Amdani Fund		711,775	-	-	711,775	867,465	-	-	867,465
Meezan Daily Income Fund - MDIP - I		-	-	-	-	1,308,914	-	-	1,308,914
Meezan Sovereign Fund		-	-	-	-	572	-	-	572
Meezan cash Fund		5,239	-	-	5,239	5,429	-	-	5,429
Meezan Islamic Income Fund		5,278	-	-	5,278	5,464	-	-	5,464
Meezan Fixed Term Fund - MPMP V		-	-	-	-	5,896	-	-	5,896
Meezan GOKP Pension Fund - Debt Sub Fund		500	-	-	500	500	-	-	500
Meezan GOKP Pension Fund - Equity Index Sub Fund		500	-	-	500	500	-	-	500
Meezan GOKP Pension Fund - Equity Sub Fund		500	-	-	500	500	-	-	500
Meezan GOKP Pension Fund - Money Market Sub Fund		40,982	-	-	40,982	36,996	-	-	36,996
		12,907,876	-	-	12,907,876	10,079,993	-	-	10,079,993
Total Investments		2,578,670,567	321,083	29,984,720	2,608,334,204	1,833,063,974	347,166	46,136,033	1,878,852,841

10.2.1 During the year, the Group has changed the classification of financial assets - Federal Government securities (GoP ijarah sukuks) amounting to Rs. 242,653 million from amortised cost to fair value through other comprehensive income due to reassessment of business model of the Group. The reclassification has been made with effect from January 01, 2025. The revaluation gain of Rs. 1,091 million - gross of tax due to reclassification has been recorded in the consolidated statement of other comprehensive income.

These sukuks were originally classified at amortised cost on January 01, 2024 upon adoption of IFRS 9. The above reclassification has no effect on the financial statements of the Group except for the change mentioned above and in capital adequacy ratio which has been increased from 20.35% to 20.39% as on the date of reclassification (January 01, 2025).

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

10.2.2 Investments given as collateral

	2025		2024	
	Cost / Amortised Cost	Market value	Cost / Amortised Cost	Market value
	Rupees in '000			
Federal Government Securities				
- Ijarah sukuk	628,000,000	635,567,800	485,500,000	503,414,750

	Note	2025	2024
		Rupees in '000	
10.3 Particulars of credit loss allowance for against investments			
Opening balance		347,166	2,635,009
Impact of adoption of IFRS 9 - reversal of provision held against shares		-	(2,562,068)
Impact of adoption of IFRS 9 - credit loss allowance		-	52,035
		-	(2,510,033)
(Reversals) / charge			
Credit loss allowance / provision for the year		1,460	239,996
ECL reversals for the year (including cash recovery)		(27,543)	(17,806)
		(26,083)	222,190
Closing balance	10.4.1 & 10.4.2	321,083	347,166

During the year, Principal outstanding of Sitara Peroxide limited sukuk (previously classified in stage 3) has been fully recovered amounting to Rs. 13.91 million along with partial profit recovery amounting to Rs. 4.15 million. Remaining profit were waived in full and final settlements.

10.4 Particulars of credit loss allowance against debt securities

	2025		2024	
	Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
	Rupees in '000			
Domestic				
Performing - Stage 1	12,400,550	5,464	5,604,416	5,216
Under performing - Stage 2	-	-	-	-
Non-performing - Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	315,619	315,619	341,950	341,950
	315,619	315,619	341,950	341,950
	12,716,169	321,083	5,946,366	347,166

The debt securities amounting to Rs. 2,532,762 million and Rs. 8,802 million pertains to Government securities and Government guaranteed exposure respectively. The exposure is exempted for the calculation of ECL by the SBP.

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

10.4.1 Investments - exposure (debt securities)*

	2025				2024						
	Outstanding			Total	Outstanding			Performing	Non-performing	Total	
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3				
(Rupees in '000)											
Opening balance	5,604,416	-	341,950	5,946,366	-	-	-	9,601,900	72,945	9,674,845	
Implementation of IFRS 9	-	-	-	-	9,329,900	272,000	72,945	(9,601,900)	(72,945)	-	
Impact of adoption of IFRS 9	-	-	-	-	-	-	-	-	-	-	
Balance as at January 01 after adopting IFRS 9	5,604,416	-	341,950	5,946,366	9,329,900	272,000	72,945	-	-	9,674,845	
Fresh disbursements	8,415,974	-	-	8,415,974	1,318,705	-	-	-	-	1,318,705	
Amount derecognised / repaid	(1,987,490)	-	(26,331)	(2,013,821)	(5,012,790)	-	(2,995)	-	-	(5,015,785)	
Transfer to stage 1	-	-	-	-	-	-	-	-	-	-	
Transfer to stage 2	-	-	-	-	-	(272,000)	-	-	-	(272,000)	
Transfer to stage 3	-	-	-	-	-	-	272,000	-	-	272,000	
Net change during the year	-	-	-	-	-	-	-	-	-	-	
	6,428,484	-	(26,331)	6,402,153	(3,694,085)	(272,000)	269,005	-	-	(3,697,080)	
Amounts written off / charged off	-	-	-	-	-	-	-	-	-	-	
Changes in risk parameters	-	-	-	-	-	-	-	-	-	-	
Other changes	15,914	-	-	15,914	(31,399)	-	-	-	-	(31,399)	
Closing balance	12,048,814	-	315,619	12,364,433	5,604,416	-	341,950	-	-	5,946,366	

* Excluding Government and Government Guaranteed Exposures

10.4.2 Investment - Credit loss allowance

	2025				2024					
	Expected Credit Loss			Total	Expected Credit Loss			Specific	Total	
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3			
	(Rupees in '000)									
Opening balance	5,216	-	341,950	347,166	-	-	-	2,635,009	2,635,009	
Implementation of IFRS 9	-	-	-	-	17,601	34,434	72,945	(72,945)	52,035	
Impact of adoption of IFRS 9	-	-	-	-	-	-	-	(2,562,064)	(2,562,064)	
Balance as at January 01 after adopting IFRS 9	5,216	-	341,950	347,166	17,601	34,434	72,945	-	124,980	
New Investments	1,798	-	-	1,798	2,337	-	-	-	2,337	
Investments derecognised / repaid	(863)	-	(26,331)	(27,194)	(2,267)	-	(2,995)	-	(5,262)	
Transfer to stage 1	-	-	-	-	-	-	-	-	-	
Transfer to stage 2	-	-	-	-	-	-	-	-	-	
Transfer to stage 3	-	-	-	-	-	(34,434)	34,434	-	-	
Net change during the year	-	-	-	-	-	-	-	-	-	
	935	-	(26,331)	(25,396)	70	(34,434)	31,439	-	(2,925)	
Amounts written off / charged off	-	-	-	-	-	-	-	-	-	
Changes in risk parameters	(689)	-	-	(689)	(9,320)	-	237,566	-	228,246	
Other changes	2	-	-	2	(3,135)	-	-	-	(3,135)	
Closing balance	5,464	-	315,619	321,083	5,216	-	341,950	-	347,166	

* Excluding Government and Government Guaranteed Exposures

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

10.5 Quality of securities

Details regarding quality of securities held under "Hold to Collect and Sell" model are as follows:

	2025	2024
	Cost	
	Rupees in '000	
10.5.1 Federal Government Securities - Government guaranteed		
Ijarah Sukuks - VRR	1,558,890,254	1,197,612,762
Ijarah Sukuks - FRR	491,603,623	118,915,329
Ijarah Sukuks - Discounted	27,563,193	491,664
	<u>2,078,057,070</u>	<u>1,317,019,755</u>

10.5.2 Shares - Listed

Cement	2,482,617	1,359,104
Power generation and distribution	991,066	98,341
Oil and gas marketing companies	548,586	244,202
Oil and gas exploration companies	2,491,902	1,631,049
Fertilizers	156,856	446,350
Chemicals	122,163	122,163
Pharmaceuticals	295,596	295,596
Investment companies	433,245	-
Modarabas	49,000	115,390
Technology and communication	682,394	397,453
Paper and board	473,003	490,917
Textile (Composite)	387,360	387,360
Engineering	120,482	120,482
	<u>9,234,270</u>	<u>5,708,407</u>

10.5.3 Shares - Unlisted

	2025		2024	
	Cost	Fair value*	Cost	Fair value*
	Rupees in '000			
Sapphire Electric Company Limited	318,638	381,134	318,638	343,794
Daewoo Pakistan Express Bus Service Limited	-	-	253,240	253,240
Pakistan Corporate Restructuring Company Limited	-	-	32,801	20,793
	<u>318,638</u>	<u>381,134</u>	<u>604,679</u>	<u>617,827</u>

* The basis for determination of fair value has been disclosed in note 45.1 to these consolidated financial statements and fair value calculated is based on the holding percentage.

10.5.4 Non Government Sukuks

	Note	2025	2024
		Cost	
		Rupees in '000	
Listed			
- Government guaranteed	10.2.1	-	114,348,701
Unlisted			
- Government guaranteed		8,802,285	10,689,564
Unlisted			
- AA / AA+, AA, AA-		832,413	656,961
- A / A+, A, A-		407,508	1,190,748
- Unrated		315,619	69,950
		<u>1,555,540</u>	<u>1,917,659</u>
		<u>10,357,825</u>	<u>126,955,924</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

10.5.5	Foreign Securities Government Sukuks	2025	2024	2025	2024
		Rating		Cost	
				Rupees in '000	
	Saudi Arabia	A	A	7,146,453	1,801,782
	Indonesia	Ba2	Baa2	2,823,191	1,392,795
				9,969,644	3,194,577
	Non Government Sukuk - Unlisted				
	- Aa3 / A			839,249	834,130
	Equity security - Unlisted				
	Society for Worldwide Interbank Financial Telecommunication (SWIFT)*			10,389	10,389
				<u>10,819,282</u>	<u>4,039,096</u>

*The fair value of these shares is not considered to be materially different from its carrying amount.

10.6 Particulars relating to securities classified under "Hold to collect" model are as follows:

Federal Government Securities - Government guaranteed	2025	2024
	Cost Rupees in '000	
Ijarah Sukuks - VRR	5,656,706	85,603,985
Ijarah Sukuks - FRR	58,752,255	256,227,912
Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	390,295,665	21,053,574
	<u>454,704,626</u>	<u>362,885,471</u>

The market value of government guaranteed securities classified as amortised cost as at December 31, 2025 amounted to Rs. 455,062 million (2024: Rs. 364,245 million).

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

10.7 Investment in associates

Movement of investment in associates	2025						
	Country of incorporation	Percentage of Holding%	Investment at the beginning of the year	Investment/ (redemption) during the year	Share of profit/(loss) in associates	Dividend received	Investment at the end of the year
	Rupees in '000						
Associates							
Meezan Islamic Fund (MIF)	Pakistan	9.71%	2,262,620	2,534,173	1,481,494	(15,410)	6,262,877
Meezan Balanced Fund (MBF)*	Pakistan	0.00%	448,920	398	106,291	(24,314)	531,295
Al Meezan Mutual Fund (AMMF)	Pakistan	6.41%	1,711,441	(709,828)	629,352	(11,426)	1,619,539
Meezan Fixed Term Fund - MPMP V	Pakistan	0.00%	5,896	(5,369)	44	(571)	-
KSE Meezan Index Fund (KMIF)	Pakistan	10.39%	2,473,002	(2,257,569)	504,125	(68,527)	651,031
Meezan Daily Income Fund (MDIP-I)	Pakistan	0.00%	1,308,914	(1,308,914)	14,376	(14,376)	-
Meezan Pakistan Exchange Traded Fund (MPETF)	Pakistan	2.74%	21,076	-	5,023	(2,520)	23,579
Meezan Gold Fund (MGF)	Pakistan	43.43%	526,395	3,985	259,468	(8,481)	781,367
Meezan Tahaffuz Pension Equity Sub Fund (MTPF-ESF)	Pakistan	3.65%	341,960	1	138,440	-	480,401
Meezan Tahaffuz Pension Gold Sub Fund (MTPF-GSF)	Pakistan	6.31%	62,343	-	29,259	-	91,602
Meezan Rozana Aamdani Fund (MRAF)	Pakistan	2.26%	867,465	(155,693)	124,150	(124,147)	711,775
Meezan Sovereign Fund (MSF)	Pakistan	0.00%	572	(514)	6	(64)	-
Meezan GOKP Pension Fund - Money Market Sub Fund*	Pakistan	0.00%	36,996	-	3,986	-	40,982
Meezan GOKP Pension Fund - Debt Sub Fund*	Pakistan	0.00%	500	-	-	-	500
Meezan GOKP Pension Fund - Equity Index Sub Fund*	Pakistan	0.00%	500	-	-	-	500
Meezan GOKP Pension Fund - Equity Sub Fund*	Pakistan	0.00%	500	-	-	-	500
Meezan Cash Fund*	Pakistan	0.00%	5,429	-	503	(654)	5,278
Meezan Islamic Income Fund*	Pakistan	0.00%	5,464	(646)	421	-	5,239
Meezan Asset Allocation Fund	Pakistan	26.27%	-	346,755	42,407	-	389,162
Meezan Fixed Term Fund - MPMP 30	Pakistan	1.34%	-	502,296	6,937	-	509,233
Meezan Fixed Term Fund - MPMP 31	Pakistan	14.05%	-	500,000	5,898	-	505,898
Meezan Fixed Term Fund - MPMP 32	Pakistan	1.39%	-	294,916	1,697	-	296,613
Meezan Punjab Pension Fund - Money Market Sub Fund	Pakistan	100.00%	-	500	5	-	505
Meezan Fixed Term Fund - MPMP XVIII	Pakistan	0.00%	-	-	4,099	(4,099)	-
Meezan Fixed Term Fund - MPMP XIX	Pakistan	0.00%	-	-	224	(224)	-
Meezan Fixed Term Fund - MPMP XX	Pakistan	0.00%	-	-	1,345	(1,345)	-
Meezan Fixed Term Fund - MPMP XXI	Pakistan	0.00%	-	-	6,717	(6,717)	-
Meezan Fixed Term Fund - MPMP XXII	Pakistan	0.00%	-	-	2,791	(2,791)	-
Meezan Fixed Term Fund - MPMP XXIII	Pakistan	0.00%	-	-	351	(351)	-
Meezan Fixed Term Fund - MPMP XXIV	Pakistan	0.00%	-	-	6,223	(6,223)	-
Meezan Fixed Term Fund - MPMP XXV	Pakistan	0.00%	-	-	6,083	(6,083)	-
Meezan Fixed Term Fund - MPMP XXVIII	Pakistan	0.00%	-	-	2,676	(2,676)	-
Meezan Fixed Term Fund - MPMP XXIX	Pakistan	0.00%	-	-	2,331	(2,331)	-
Total			10,079,993	(255,509)	3,386,722	(303,330)	12,907,876

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

2024						
Country of incorporation	Percentage of Holding%	Investment at the beginning of the year	Investment/ (redemption) during the year	Share of profit/(loss) in associates	Dividend received	Investment at the end of the year
Rupees in '000						
Associates						
Meezan Islamic Fund (MIF)	Pakistan	5.18%	1,024,883	605,069	797,084	(164,416) 2,262,620
Meezan Balanced Fund (MBF)	Pakistan	13.40%	398,519	(22,086)	148,170	(75,683) 448,920
Al Meezan Mutual Fund (AMMF)	Pakistan	16.79%	853,887	287,167	671,499	(101,112) 1,711,441
Meezan Fixed Term Fund - MPMP V	Pakistan	0.07%	5,000	369	961	(434) 5,896
KSE Meezan Index Fund (KMIF)	Pakistan	36.97%	1,960,781	(411,650)	958,059	(34,188) 2,473,002
Meezan Daily Income Fund (MDIP-I)	Pakistan	1.70%	1,950,092	(766,159)	390,211	(265,230) 1,308,914
Meezan Pakistan Exchange Traded Fund (MPETF)	Pakistan	9.52%	13,302	-	8,894	(1,120) 21,076
Meezan Gold Fund (MGF)	Pakistan	19.01%	165,390	301,038	63,355	(3,388) 526,395
Meezan Tahaffuz Pension Equity Sub Fund (MTPF-ESF)	Pakistan	4.59%	191,567	654	149,739	- 341,960
Meezan Tahaffuz Pension Gold Sub Fund (MTPF-GSF)	Pakistan	9.67%	49,684	164	12,495	- 62,343
Meezan Energy Fund (MEF)	Pakistan	-	214,530	(206,119)	35,408	(43,819) -
Meezan Rozana Aamdani Fund (MRAF)	Pakistan	1.48%	-	867,465	212,528	(212,528) 867,465
Meezan Sovereign Fund (MSF)*	Pakistan	-	580	(1,013)	1,210	(205) 572
Meezan GOKP Pension Fund - Money Market Sub Fund	Pakistan	11.86%	30,375	-	6,621	- 36,996
Meezan Financial Planning Fund of Funds - Conservative (MFPPF-Cons)	Pakistan	-	2,128	(2,353)	225	- -
Meezan GOKP Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	- 500
Meezan GOKP Pension Fund - Equity Index Sub Fund	Pakistan	100.00%	500	-	-	- 500
Meezan GOKP Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	- 500
Meezan Cash Fund	Pakistan	0.01%	-	5,000	468	(39) 5,429
Meezan Islamic Income Fund*	Pakistan	-	-	5,000	516	(52) 5,464
Total			6,862,218	662,546	3,457,443	(902,214) 10,079,993

*Nil due to rounding off

No reconciliation is required between the carrying amount of the investment in associated undertakings and the summarised financial information as the movement in the Net Asset Value (NAV) represents the proportionate share of profit of investment in associate and the investment is also valued at the NAV prevailing at the reporting date under the equity accounting method.

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For The Year Ended December 31, 2025

	Note	2025	2024
		Rupees in '000	
11 ISLAMIC FINANCING AND RELATED ASSETS			
In Pakistan:			
Murabaha financing and related assets			
- Murabaha financing	11.1	9,630,861	5,552,574
- Financing under Islamic Export Refinance - Murabaha	11.1	102,104	303,924
- Financing against Islamic SME Asaan Finance	11.1	873,531	1,818,265
- Advances against Murabaha		16,392,877	22,450,689
- Murabaha inventory		4,872,271	1,484,181
- Advance against Islamic SME Asaan Finance		235,372	354,722
- Inventory under Islamic SME Asaan Finance		-	2,852
- Advance against Islamic Export Refinance - Murabaha		1,191,061	770,105
- Financing against Islamic Working Capital Finance	11.1	50,000	-
- Inventory under Islamic Export Refinance - Murabaha		9,900	-
		33,357,977	32,737,312
Running Musharakah financing			
- Running Musharakah financing		527,693,782	676,407,577
- Financing under Islamic Export Refinance - Running Musharakah		24,794,578	36,943,954
		552,488,360	713,351,531
Istisna financing and related assets			
- Istisna financing		45,401,451	24,178,898
- Advances against Istisna		147,494,496	75,741,840
- Istisna inventory		17,539,907	57,719,292
- Financing under Islamic Export Refinance - Istisna		406,730	419,234
- Advances under Islamic Export Refinance - Istisna		7,572,908	10,612,565
- Inventory under Islamic Export Refinance - Istisna		3,265,927	4,193,560
		221,681,419	172,865,389
Tijarah financing and related assets			
- Tijarah financing		5,697,698	4,876,050
- Tijarah inventory		20,681,640	14,434,733
- Financing under Islamic Export Refinance - Tijarah		1,072,026	1,086,970
- Inventory under Islamic SME Asaan Finance		190,261	311,241
- Inventory under Islamic Export Refinance - Tijarah		921,639	855,201
		28,563,264	21,564,195
Musawammah financing and related assets			
- Musawammah financing	11.2	28,413,174	23,777,208
- Financing under Islamic Export Refinance - Musawammah	11.2	313,810	669,459
- Financing under SBP's Islamic Financing Facility for Renewable Energy (IFRE) - Musawammah	11.2	453,478	428,575
- Financing against Islamic SME Asaan Finance	11.2	4,167	26,508
- Advances against Musawammah		14,634,779	12,317,484
- Advance against Islamic SME Asaan Finance		-	11,853
- Musawammah inventory		20,850,389	13,320,611
- Advances under Islamic Export Refinance - Musawammah		277,737	879,245
- Inventory under Islamic Export Refinance - Musawammah		-	28,000
		64,947,534	51,458,943
Salam financing and related assets			
- Salam financing		3,156,907	1,569,320
- Advances against Salam		37,490,065	25,511,879
- Salam inventory		3,581,976	2,625,049
		44,228,948	29,706,248
Financing against bills			
- Financing against bills - Salam		1,027,208	1,196,715
- Advance against bills - Salam		1,738	1,738
		1,028,946	1,198,453
- Bai Muajjal financing	11.3	76,319,397	43,662,372
Ijarah financing and related assets			
- Net investment in Ijarah		48,147	48,758
- Net book value of assets / investment in Ijarah under IFAS 2		98,978,088	61,624,855
	11.4	99,026,235	61,673,613
- Advances against Ijarah		14,316,223	7,857,788
		113,342,458	69,531,401

Notes to and Forming Part of the Consolidated Financial Statements

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	Note	2025	2024
		Rupees in '000	
Diminishing Musharakah financing and related assets			
- Diminishing Musharakah financing		403,873,112	219,903,211
- Diminishing Musharakah financing - housing		18,441,541	16,873,015
- Diminishing Musharakah financing - SBP's Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)		1,023,127	399,281
- Diminishing Musharakah financing - SBP's Islamic Financing Facility for Renewable Energy (IFRE)		13,866,661	15,153,734
- Diminishing Musharakah financing - SBP's Islamic Refinance Facility for Combating COVID - 19 (IRFCC)		13,836	107,606
- Diminishing Musharakah financing - SBP's Islamic SME Asaan Finance (I-SAAF) Scheme		3,335,175	3,190,659
- Diminishing Musharakah financing - SBP's Islamic Long Term Financing Facility (ILTFF) for Plant & Machinery		16,353,397	16,898,044
- Diminishing Musharakah financing - SBP's Islamic Temporary Economic Refinance Facility (ITERF)		11,064,358	12,790,555
- Diminishing Musharakah financing - under SBP's Islamic Refinance Facility for Modernization of SMEs (IRFMS)		413,031	190,903
- Diminishing Musharakah financing - SBP's Islamic Refinance and Credit Guarantee Scheme for Women Entrepreneurs (IRCGSWE)		33,125	10,327
- Advances against Diminishing Musharakah		21,112,666	55,505,976
- Advances against Diminishing Musharakah under SBP's IFFSAP		158,000	693,503
- Advances against Diminishing Musharakah under SBP's IFRE		1,327,913	2,228,906
- Advances against Diminishing Musharakah under SBP's IRFCC		36,343	109,029
- Advances against Diminishing Musharakah under SBP's ISAAF		240,293	560,712
- Advances against Diminishing Musharakah under SBP's Islamic Refinance Facility for Modernization of SMEs (IRFMS)		-	14,903
- Advances against Diminishing Musharakah under SBP's ITERF		427,230	427,647
- Advances against Diminishing Musharakah under SBP's IRCGSWE		278	5,000
- Advances against Diminishing Musharakah under SBP's ILTFF		2,955,795	3,151,948
		494,675,881	348,214,959
- Musharakah financing		1,701,188	1,300,000
- Advances against Wakalah Tul Istithmar		-	30,602,133
- Advance against Service Ijarah		42,113,067	30,508,677
- Qard financing under SBP's IRFCC		5,802	114,803
- Labbaik (Qard for Hajj and Umrah)		742	5,547
- Staff financing (including under SBP's IFRE)	11.5	10,601,312	8,321,137
- Other financing		1,210,512	1,219,218
Gross Islamic financing and related assets	11.6	1,686,266,807	1,556,362,318
Less: Credit loss allowance against Islamic financing and related assets			
Stage 1	11.8 & 11.8.6	(2,444,933)	(2,609,888)
Stage 2	& 11.8.7	(3,012,754)	(1,511,416)
	11.7 & 11.8		
Less: Credit loss allowance - Stage 3	11.8.6 & 11.8.7	(26,274,322)	(23,885,078)
Less: Provision against non-performing Islamic financing and related assets - General	11.8 & 11.8.3 & 11.8.6	(13,600,000)	(13,600,000)
Islamic financing and related assets - net of credit loss allowance		1,640,934,798	1,514,755,936

Notes to and Forming Part of the Consolidated Financial Statements

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		Note	2025	2024
			Rupees in '000	
11.1	Murabaha receivable - gross	11.1.1	11,130,890	8,091,467
	Less: Deferred murabaha income	11.1.3	(261,583)	(145,025)
	Less: Profit receivable shown in other assets		(212,811)	(271,679)
	Murabaha financing	11.1.2	10,656,496	7,674,763
11.1.1	Murabaha Sale Price		11,130,890	8,091,467
	Murabaha Purchase Price		(10,656,496)	(7,674,763)
			474,394	416,704
11.1.2	The movement in Murabaha financing during the year is as follows:			
	Opening balance		7,674,763	7,177,526
	Sales during the year		53,531,217	53,863,021
	Adjusted during the year		(50,549,484)	(53,365,784)
	Closing balance		10,656,496	7,674,763
11.1.3	Deferred Murabaha Income			
	Opening balance		145,025	248,064
	Arising during the year		2,878,281	3,416,239
	Recognised during the year		(2,761,723)	(3,519,278)
	Closing balance		261,583	145,025
11.2	Musawammah financing - gross		30,577,478	26,413,197
	Less: Deferred income		(707,425)	(627,968)
	Less: Profit receivable shown in other assets		(685,424)	(883,479)
	Musawammah financing		29,184,629	24,901,750
11.3	Bai Muajjal financing - gross		111,931,910	45,392,716
	Less: Deferred income		(34,533,347)	(1,103,526)
	Less: Profit receivable shown in other assets		(1,079,166)	(626,818)
	Bai Muajjal financing		76,319,397	43,662,372

11.4 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs. 58,911 million (2024: Rs. 51,119 million).

11.5 This includes Rs. 1,127 million (2024: Rs. 973 million) representing profit free financing to staff advanced under the Holding Company's Human Resource Policies.

11.6 Particulars of financing - gross	2025	2024
	Rupees in '000	
- in local currency	1,577,459,239	1,464,872,537
- in foreign currencies	108,807,568	91,489,781
	1,686,266,807	1,556,362,318

11.7 Islamic financing and related assets include Rs. 31,018 million (2024: Rs. 25,243 million) which have been placed under non-performing / stage 3 status as detailed below:

	2025		2024	
	Non Performing Amount	Credit loss allowance	Non Performing Amount	Credit loss allowance
Category of classification in stage 3	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	3,888	1,672	388	176
Substandard	6,517,309	3,596,876	962,362	763,303
Doubtful	7,521,012	5,969,140	4,765,274	4,001,247
Loss	16,975,914	16,706,634	19,515,149	19,120,352
Total	31,018,123	26,274,322	25,243,173	23,885,078

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For The Year Ended December 31, 2025

11.8 Particulars of credit loss allowance against Islamic financing and related assets:

Note		2025				2024						
		Expected credit loss			General	Total	Expected credit loss			Specific	General	Total
		Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
(Rupees in '000)												
Opening balance		2,609,888	1,511,416	23,885,078	13,600,000	41,606,382	-	-	-	16,107,097	14,247,354	30,354,451
Implementation of IFRS 9		-	-	-	-	-	-	-	16,107,097	(16,107,097)	-	-
Impact of adoption of IFRS 9 - credit loss allowance		-	-	-	-	-	2,419,726	1,034,559	550,553	-	-	4,004,838
Impact of adoption of IFRS 9 - reversal of provision		-	-	-	-	-	-	-	-	-	(647,354)	(647,354)
		-	-	-	-	-	2,419,726	1,034,559	550,553	-	(647,354)	3,357,484
Exchange adjustment for the year		-	-	3,234	-	3,234	-	-	(6,806)	-	-	(6,806)
Charge for the year		1,072,025	2,453,008	5,553,072	-	9,078,105	1,114,242	1,023,586	10,070,673	-	-	12,208,501
Less: Reversals for the year		(1,236,980)	(951,670)	(3,167,062)	-	(5,355,712)	(924,080)	(546,729)	(1,904,128)	-	-	(3,374,937)
		(164,955)	1,501,338	2,386,010	-	3,722,393	190,162	476,857	8,166,545	-	-	8,833,564
Transfer to other liabilities		-	-	-	-	-	-	-	(749,988)	-	-	(749,988)
Amount written off		-	-	-	-	-	-	-	(182,323)	-	-	(182,323)
Closing balance		2,444,933	3,012,754	26,274,322	13,600,000	45,332,009	2,609,888	1,511,416	23,885,078	-	13,600,000	41,606,382

11.8.1 It includes reversal on account of settlement of exposure amounting to Rs. 244 million (2024: Rs. 590 million) against acquisition of non-banking asset amounting to Rs. 281 million (2024: Rs. 471 million).

11.8.2 Particulars of credit loss allowance against Islamic financing and related assets:

	2025					2024					
	Expected credit loss			General	Total	Expected credit loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
(Rupees in '000)											
In local currency	2,315,287	3,000,745	25,698,418	13,600,000	44,614,450	2,517,649	1,501,322	23,312,408	-	13,600,000	40,931,379
In foreign currencies	129,646	12,009	575,904	-	717,559	92,239	10,094	572,670	-	-	675,003
	2,444,933	3,012,754	26,274,322	13,600,000	45,332,009	2,609,888	1,511,416	23,885,078	-	13,600,000	41,606,382

11.8.3 In addition, the Holding Company has also maintained a general provision of Rs. 13,600 million (December 31, 2024: Rs. 13,600 million) against financing made on prudent basis, in view of prevailing economic conditions. This general provision is in addition to the requirements of IFRS 9. This general provision can be maintained till December 31, 2026 under BPRD circular No. 1 of 2025 dated January 22, 2025.

11.8.4 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Holding Company has availed the benefit of Forced Sales Value (FSV) of collaterals against certain non-performing financing under SBP prudential regulations. The accumulated benefit availed amounts to Rs. 408.38 million (2024: Rs. 438.45 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 191.94 million (2024: Rs. 201.69 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

11.8.5 Islamic Financing and related assets - Exposure

	2025				2024						
	Outstanding			Total	Outstanding			Performing	Non-performing	Total	
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3				
(Rupees in '000)											
Opening balance	1,469,603,905	61,515,240	25,243,173	1,556,362,318	-	-	-	975,088,266	16,939,197	992,027,463	
Implementation of IFRS 9	-	-	-	-	943,022,366	31,890,123	17,114,974	(975,088,266)	(16,939,197)	-	
Impact of adoption of IFRS 9	-	-	-	-	-	-	-	-	-	-	
Balance as at January 01 after adopting IFRS 9	1,469,603,905	61,515,240	25,243,173	1,556,362,318	943,022,366	31,890,123	17,114,974	-	-	992,027,463	
Fresh disbursements	617,699,636	68,221,476	2,941,650	688,862,762	763,629,115	10,459,658	13,067	-	-	774,101,840	
Amount derecognised / repaid	(543,019,034)	(10,757,994)	(5,184,479)	(558,961,507)	(200,231,864)	(6,737,985)	(1,858,019)	-	-	(208,827,868)	
Transfer to stage 1	26,690,285	(26,679,976)	(10,309)	-	4,090,837	(4,088,944)	(1,893)	-	-	-	
Transfer to stage 2	(73,096,184)	73,227,668	(131,484)	-	(31,597,387)	31,600,838	(3,451)	-	-	-	
Transfer to stage 3	(1,760,347)	(6,395,991)	8,156,338	-	(9,309,162)	(1,608,450)	10,917,612	-	-	-	
Net change during the year	-	-	-	-	-	-	-	-	-	-	
	26,514,356	97,615,183	5,771,716	129,901,255	526,581,539	29,625,117	9,067,316	-	-	565,273,972	
Transferred to other liabilities	-	-	-	-	-	-	(749,988)	-	-	(749,988)	
Amounts written off / charged off	-	-	-	-	-	-	(182,323)	-	-	(182,323)	
Changes in risk parameters	-	-	-	-	-	-	-	-	-	-	
Other changes	-	-	3,234	3,234	-	-	(6,806)	-	-	(6,806)	
Closing balance	1,496,118,261	159,130,423	31,018,123	1,686,266,807	1,469,603,905	61,515,240	25,243,173	-	-	1,556,362,318	

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11.8.5.1 This includes government guaranteed exposure amounting to Rs. 233,324.88 million (2024: Rs. 51,462.49 million).

11.8.6 Islamic financing and related assets - particulars of credit loss allowance

	2025					2024					
	Expected credit loss			General	Total	Expected credit loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
(Rupees in '000)											
Opening balance	2,609,888	1,511,416	23,885,078	13,600,000	41,606,382	-	-	-	16,107,097	14,247,354	30,354,451
Implementation of IFRS 9	-	-	-	-	-	-	-	16,107,097	(16,107,097)	-	-
Impact of adoption of IFRS 9	-	-	-	-	-	2,419,726	1,034,559	550,553	-	(647,354)	3,357,484
Balance as at January 01 after adopting IFRS 9	2,609,888	1,511,416	23,885,078	13,600,000	41,606,382	2,419,726	1,034,559	16,657,650	-	13,600,000	33,711,935
Fresh disbursements	863,624	28,766	2,081,754	-	2,974,144	1,421,726	20,799	9,760	-	-	1,452,285
Amount derecognised / repaid	(470,594)	(58,869)	(2,951,738)	-	(3,481,201)	(407,019)	(156,162)	(1,977,819)	-	-	(2,541,000)
Transfer to stage 1	492,545	(492,545)	-	-	-	19,553	(19,542)	(11)	-	-	-
Transfer to stage 2	(290,431)	417,149	(126,718)	-	-	(515,067)	515,092	(25)	-	-	-
Transfer to stage 3	(34,696)	(39,242)	73,938	-	-	(73,067)	(50,983)	124,050	-	-	-
Reversal for the year	-	-	-	-	-	-	-	-	-	-	-
	560,448	(144,741)	(922,764)	-	(507,057)	446,126	309,204	(1,844,045)	-	-	(1,088,715)
Transfer to Other liability	-	-	-	-	-	-	-	(749,988)	-	-	(749,988)
Amounts written off / charged off	-	-	-	-	-	-	-	(182,323)	-	-	(182,323)
Changes in risk parameters	(725,403)	1,646,079	3,308,774	-	4,229,450	(255,964)	167,653	10,010,590	-	-	9,922,279
Other changes	-	-	3,234	-	3,234	-	-	(6,806)	-	-	(6,806)
Closing balance	2,444,933	3,012,754	26,274,322	13,600,000	45,332,009	2,609,888	1,511,416	23,885,078	-	13,600,000	41,606,382

11.8.7 Category of classification

		2025		2024	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
Rupees in '000					
Domestic					
Performing*	Stage 1	1,496,118,261	2,444,933	1,469,603,905	2,609,888
Underperforming*	Stage 2	159,130,423	3,012,754	61,515,240	1,511,416
Non-Performing	Stage 3				
Other Assets Especially Mentioned		3,888	1,672	388	176
Substandard		6,517,309	3,596,876	962,362	763,303
Doubtful		7,521,012	5,969,140	4,765,274	4,001,247
Loss		16,975,914	16,706,634	19,515,149	19,120,352
		31,018,123	26,274,322	25,243,173	23,885,078
Total		1,686,266,807	31,732,009	1,556,362,318	28,006,382

* This includes government guaranteed exposure amounting to Rs. 233,324.88 million (2024: Rs. 51,462.49 million).

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	Note	2025	2024
11.9 Particulars of write offs		Rupees in '000	
Against provisions	11.8	-	182,323
Directly charged to consolidated profit and loss account		-	-
		-	182,323
Write offs Rs. 500,000 and above - Domestic		-	182,323
Write offs below Rs. 500,000		-	-
		-	182,323

11.9.1 Details of financing written off of Rs. 500,000 and above

In term 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 (other than those against investments) of rupees five hundred thousand or above allowed to any person(s) during the year ended December 31, 2025 is given in Annexure I. Financing written off in accordance with the policy do not in any way prejudice the Holding Company's right of recovery from the customer.

11.10 Details of financing to Women, Women-owned and Managed Enterprise

	2025	2024
11.10.1 Outstanding financing to Women, Women-owned and Managed Enterprise	Rupees in '000	
Women	7,655,197	4,230,246
Women Owned and Managed Enterprise	4,186,307	5,652,020
	11,841,504	9,882,266

11.10.2 Gross Financing Disbursed to Women Owned and -Women Managed Enterprise

Women	4,612,459	1,150,295
Women Owned and Managed Enterprise	6,806,455	14,469,538
	11,418,914	15,619,833

11.11 Details of charged off financing

In term of BPRD Circular No. 02 of 2024, the Statement in respect of charged off financing is given as under:

	2025	2024	2025	2024
	Count		Rupees in '000	
Opening Balance	-	-	-	-
Charge off during the year	-	-	-	-
Sub-total	-	-	-	-
Recoveries during the year	-	-	-	-
Amount written off	-	-	-	-
Closing balance	-	-	-	-

11.11.1 Financing charged off do not in any way prejudice the Holding Company's right of recovery from the customer.

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12	PROPERTY AND EQUIPMENT	Note	2025	2024					
			Rupees in '000						
	Capital work-in-progress	12.1	6,260,976	12,577,706					
	Property and equipment	12.2	44,865,705	34,948,797					
			51,126,681	47,526,503					
	Less: Provision against capital work-in-progress		(300,000)	(300,000)					
			50,826,681	47,226,503					
12.1	Capital work-in-progress								
	Advances to suppliers and contractors for:								
	- civil works		3,554,078	7,967,487					
	- computer hardware		714,493	1,074,750					
	- purchase of vehicles		273,940	731,613					
	- office machines		1,373,716	2,045,000					
	- furniture and fixtures		344,749	758,856					
			6,260,976	12,577,706					
12.2	Property and equipment								
			2025						
			Leasehold Land	Buildings on leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
			Rupees in '000						
	At January 1, 2025								
	Cost		8,386,900	5,237,017	13,178,789	2,137,231	22,917,993	8,843,848	60,701,778
	Accumulated depreciation		-	1,421,675	7,402,883	1,040,717	12,383,535	3,504,171	25,752,981
	Net book value		8,386,900	3,815,342	5,775,906	1,096,514	10,534,458	5,339,677	34,948,797
	Year ended December 31, 2025								
	Opening net book value		8,386,900	3,815,342	5,775,906	1,096,514	10,534,458	5,339,677	34,948,797
	Additions		708,080	5,241,148	2,496,177	1,198,351	4,959,783	2,880,305	17,483,844
	Transfer from non-banking assets		-	280,625	-	-	-	-	280,625
	Disposals		-	-	(2,088)	(1,292)	(9,090)	(520,769)	(533,239)
	Depreciation charge (note 34)		-	(402,165)	(1,119,306)	(250,519)	(3,757,342)	(1,784,990)	(7,314,322)
	Closing net book value		9,094,980	8,934,950	7,150,689	2,043,054	11,727,809	5,914,223	44,865,705
	At December 31, 2025								
	Cost		9,094,980	10,478,165	15,672,878	3,334,290	27,868,686	11,203,384	77,652,383
	Accumulated depreciation		-	1,543,215	8,522,189	1,291,236	16,140,877	5,289,161	32,786,678
	Net book value		9,094,980	8,934,950	7,150,689	2,043,054	11,727,809	5,914,223	44,865,705
	Rate of depreciation (percentage)		-	5	10	10	10 and 20	20	

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	2024						
	Leasehold Land	Buildings on leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipments	Vehicles	Total
	Rupees in '000						
At January 1, 2024							
Cost	7,588,135	4,695,377	12,025,075	1,797,044	17,239,630	6,508,075	49,853,336
Accumulated depreciation	-	1,170,775	6,375,398	872,832	9,217,760	2,086,650	19,723,415
Net book value	7,588,135	3,524,602	5,649,677	924,212	8,021,870	4,421,425	30,129,921
Year ended December 31, 2024							
Opening net book value	7,588,135	3,524,602	5,649,677	924,212	8,021,870	4,421,425	30,129,921
Additions	798,765	541,640	1,174,831	340,893	5,686,631	2,536,379	11,079,139
Transfer from non-banking assets	-	-	-	-	-	-	-
Disposals	-	-	(21,117)	(706)	(8,268)	(200,606)	(230,697)
Depreciation charge (note 34)	-	(250,900)	(1,027,485)	(167,885)	(3,165,775)	(1,417,521)	(6,029,566)
Closing net book value	8,386,900	3,815,342	5,775,906	1,096,514	10,534,458	5,339,677	34,948,797
At December 31, 2024							
Cost	8,386,900	5,237,017	13,178,789	2,137,231	22,917,993	8,843,848	60,701,778
Accumulated depreciation	-	1,421,675	7,402,883	1,040,717	12,383,535	3,504,171	25,752,981
Net book value	8,386,900	3,815,342	5,775,906	1,096,514	10,534,458	5,339,677	34,948,797
Rate of depreciation (percentage)	-	5	10	10	10 and 20	20	

12.2.1 The cost of fully depreciated assets that are still in the Bank's use are as follows:

	2025	2024
	Rupees in '000	
Buildings on leasehold land	42,881	42,881
Leasehold improvements	4,089,887	2,784,479
Furniture and fixtures	503,836	445,861
Electrical, office and computer equipment	6,866,851	6,155,048
Vehicles	294,740	277,544
	11,798,195	9,705,813

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12.2.2 Details of disposal of property and equipment to related parties or other persons having net book value of Rs. 500,000 or above are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000						
Vehicles						
Toyota Fortuner	11,358	7,761	3,597	6,126	MBL Staff Policy	Syed Iftikhar Ul Haq (Executive, Ex-Employee)
KIA Carnival	14,019	4,907	9,112	11,287	MBL Staff Policy	Syed Muhammad Asad Alvi (Executive, Ex-Employee)
KIA Sorento	7,771	5,699	2,072	4,033	MBL Staff Policy	Mr. Abid Hussain Abid (Executive, Employee)
Honda Civic	3,937	2,690	1,247	2,045	MBL Staff Policy	Ms. Shazia Khurram (Executive, Employee)
Honda Civic	3,937	2,756	1,181	2,055	MBL Staff Policy	Mr. Masroor Mohsin (Executive, Employee)
Honda Civic	3,868	2,708	1,160	1,980	MBL Staff Policy	Mr. Shoaib Muhammad Shaikh (Executive, Employee)
KIA Sportage	4,876	3,576	1,300	2,572	MBL Staff Policy	Mr. Ali Imran Khan (Executive, Employee)
KIA Sportage	4,410	2,940	1,470	2,345	MBL Staff Policy	Mr. Mashkoor A.G. Khan (Executive, Employee)
KIA Sportage	4,042	2,627	1,415	2,220	MBL Staff Policy	Mr. Muhammad Yasar Abaidullah (Executive, Employee)
Toyota Corolla	4,313	3,091	1,222	2,194	MBL Staff Policy	Syed Iftikhar Ul Haq (Executive, Ex-Employee)
Toyota Corolla	2,153	323	1,830	1,981	MBL Staff Policy	Syed Muhammad Asad Alvi (Executive, Ex-Employee)
Honda City	3,863	2,382	1,481	2,221	MBL Staff Policy	Mr. Munawar Bilal (Executive, Employee)
Honda City	3,290	2,029	1,261	1,906	MBL Staff Policy	Mr. Mirza Aamir Iqbal (Executive, Employee)
Honda City	3,099	2,066	1,033	1,648	MBL Staff Policy	Mr. Ahsan Sarfraz (Executive, Employee)
Honda City	3,005	1,803	1,202	1,741	MBL Staff Policy	Mr. Salman Ahmed Siddiqi (Executive, Employee)
Honda City	3,003	1,952	1,051	1,689	MBL Staff Policy	Mr. Nadeem Ul Haque (Executive, Employee)
Honda City	2,778	1,852	926	1,553	MBL Staff Policy	Mr. Kamran Malik (Executive, Employee)
Honda City	2,711	2,169	542	1,218	MBL Staff Policy	Syed Salman Nadeem (Executive, Employee)
Honda City	2,681	2,100	581	1,221	MBL Staff Policy	Mr. Munib Badar (Executive, Employee)
Honda City	2,666	1,733	933	1,477	MBL Staff Policy	Syed Salman Zaidi (Executive, Employee)
Honda City	2,655	1,682	973	1,534	MBL Staff Policy	Mr. Imran Khan (Executive, Employee)
Honda City	2,496	1,997	499	1,108	MBL Staff Policy	Mr. Khalid Mahmood (Executive, Employee)
Honda City	2,496	1,997	499	1,104	MBL Staff Policy	Mr. Mirza Shahzad Naseem (Executive, Employee)
Toyota Yaris	3,378	2,759	619	1,957	MBL Staff Policy	Mr. Jamal Nasir Arain (Executive, Employee)
Toyota Yaris	3,306	2,038	1,268	1,915	MBL Staff Policy	Mr. Nabeel Ur Rehman (Executive, Ex-Employee)
Toyota Yaris	2,975	1,884	1,091	1,682	MBL Staff Policy	Mr. Muhammad Saleem (Executive, Employee)
Toyota Yaris	2,974	2,032	942	1,520	MBL Staff Policy	Mr. Babar Ghori (Executive, Employee)
Toyota Yaris	2,670	2,047	623	1,274	MBL Staff Policy	Mr. Muhammad Faisal Akram (Executive, Employee)
Toyota Yaris	2,613	1,949	664	1,254	MBL Staff Policy	Mr. Muhammad Sabir Khilji (Executive, Employee)
Changan Alsvin	2,940	1,911	1,029	1,653	MBL Staff Policy	Mr. Jibran Samad (Executive, Employee)
Hyundai Elentra	6,416	3,208	3,208	4,848	Negotiation	Mr. Usama Qamar
Hyundai Tucson	8,906	2,375	6,531	7,037	Negotiation	Syed Riaz Ahmed
KIA Sportage	8,951	2,536	6,415	7,052	Negotiation	Mr. Samina Saeed
KIA Sportage	6,967	2,671	4,296	5,500	Negotiation	Mr. Omair Shuja
Chery Tiggo	6,628	3,093	3,535	4,550	Negotiation	Mr. Suneel Raja
Toyota Corolla	7,055	3,292	3,763	4,863	Negotiation	Mr. Khurram Imtiaz
Honda City	6,075	2,329	3,746	4,445	Negotiation	Mr. Mazhar Ali
Honda City	5,088	1,950	3,138	3,900	Negotiation	Mr. Muhammad Talha
Honda City	5,009	1,753	3,256	3,783	Negotiation	Mr. Faheem Ahmed Chauhan
Honda City	4,988	1,413	3,575	3,910	Negotiation	Mr. Kashif Zamir
Honda City	4,930	2,054	2,876	3,370	Negotiation	Mr. Hafiz Muhammad Zaman
Honda City	4,889	1,874	3,015	3,512	Negotiation	Mr. Muhammad Ejaz
Honda City	4,887	1,222	3,665	4,013	Negotiation	Mr. Imran
Honda City	4,855	1,699	3,156	3,407	Negotiation	Syed Riaz Ahmed
Honda City	4,788	1,756	3,032	3,526	Negotiation	Mr. Karachi Wheels
Honda City	3,314	1,657	1,657	3,523	Negotiation	Mr. M. Mohsin Mumtaz
Honda City	3,179	1,590	1,589	3,362	Negotiation	M/s Tariq Mehmood Autos
Honda City	3,169	1,531	1,638	3,330	Negotiation	M/s United Transport Services
Honda City	2,778	1,573	1,205	3,510	Negotiation	Mr. Munawar Hussain
Honda City	2,761	1,427	1,334	3,600	Negotiation	Mr. Wasim Mirza
Honda City	2,761	1,519	1,242	3,314	Negotiation	Syed Jahanzaib Ali
Honda City	2,759	1,885	874	3,389	Negotiation	Mr. Imran
Honda City	2,678	2,053	625	3,438	Negotiation	Mr. Haris Fareed
Honda City	2,668	1,956	712	3,275	Negotiation	Mr. Zeeshan Mansha
Honda City	2,617	1,876	741	3,089	Negotiation	Mr. Imran
Honda City	2,485	1,947	538	3,125	Negotiation	Mr. Usama Qamar
Honda City	2,485	1,905	580	3,260	Negotiation	Mr. Naeem Amjad
Toyota Yaris	5,313	1,771	3,542	4,030	Negotiation	Mr. Muhammad Fahad Aslam
Toyota Yaris	5,158	2,149	3,009	3,931	Negotiation	Mr. Ali Murtaza Tariq
Toyota Yaris	5,158	2,235	2,923	3,915	Negotiation	Mr. Ali Murtaza Tariq
Toyota Yaris	5,126	1,538	3,588	3,863	Negotiation	Mr. Faheem Ahmed Chauhan
Toyota Yaris	5,108	2,214	2,894	3,829	Negotiation	Mr. Wasim Mirza
Toyota Yaris	5,098	1,784	3,314	3,758	Negotiation	Mr. Karachi Wheels
Toyota Yaris	5,098	2,294	2,804	3,865	Negotiation	Mr. Muhammad Fahad Aslam
Toyota Yaris	5,098	1,784	3,314	3,958	Negotiation	Mr. Wasim Mirza
Toyota Yaris	4,954	1,817	3,137	3,661	Negotiation	Mr. Waqas Bashir
Toyota Yaris	4,946	1,484	3,462	3,821	Negotiation	M/s Tariq Mehmood Autos
Toyota Yaris	4,944	1,730	3,214	3,669	Negotiation	Mr. Mustafa Kamran
Toyota Yaris	4,944	1,730	3,214	3,583	Negotiation	Mr. M. Mohsin Mumtaz
Toyota Yaris	4,936	1,481	3,455	3,658	Negotiation	Mr. Ziyad Tariq
Toyota Yaris	4,886	1,303	3,583	3,800	Negotiation	Mr. Sheeraz Khan
Toyota Yaris	4,883	1,628	3,255	3,573	Negotiation	M/s Amin Motors
Toyota Yaris	4,873	1,949	2,924	3,799	Negotiation	Mr. Imran
Toyota Yaris	4,873	1,381	3,492	3,673	Negotiation	M/s Amin Motors
Toyota Yaris	4,837	1,290	3,547	3,758	Negotiation	Mr. Ziyad Tariq
Toyota Yaris	4,832	1,369	3,463	3,705	Negotiation	Mr. Farhan Munir
Toyota Yaris	4,830	1,288	3,542	3,791	Negotiation	Mr. Waqas Bashir
Toyota Yaris	4,830	1,529	3,301	3,973	Negotiation	Mr. Khurram Imtiaz
Toyota Yaris	4,830	1,529	3,301	3,973	Negotiation	Mr. Khurram Imtiaz
Toyota Yaris	4,830	1,449	3,381	3,973	Negotiation	Mr. Khurram Imtiaz
Toyota Yaris	4,772	1,591	3,181	3,875	Negotiation	Mr. Omair Shuja
Toyota Yaris	4,772	1,511	3,261	3,875	Negotiation	Mr. Omair Shuja
Balance carried forward	368,298	173,442	194,856	271,753		

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000						
Balance brought forward	368,298	173,442	194,856	271,753		
Toyota Yaris	4,772	1,431	3,341	3,914	Negotiation	M/s Toyota Creek Motors
Toyota Yaris	4,772	1,511	3,261	3,878	Negotiation	Mr. Imran Saeed
Toyota Yaris	4,771	1,670	3,101	3,701	Negotiation	Mr. Wasim Mirza
Toyota Yaris	4,771	1,670	3,101	3,741	Negotiation	M/s Toyota Creek Motors
Toyota Yaris	4,771	1,670	3,101	3,741	Negotiation	M/s Toyota Creek Motors
Toyota Yaris	4,766	1,192	3,574	3,742	Negotiation	Mr. Farooq Hussain
Toyota Yaris	4,702	1,097	3,605	3,929	Negotiation	Mr. Imran
Toyota Yaris	4,095	1,843	2,252	3,857	Negotiation	Mr. Malik Awais
Toyota Yaris	2,982	1,491	1,491	3,589	Negotiation	Mr. Imran Saeed
Toyota Yaris	2,926	1,999	927	3,511	Negotiation	Mr. Omair Shuja
Toyota Yaris	2,611	1,915	696	3,067	Negotiation	Mr. Muhammad Ejaz
Toyota Yaris	2,610	1,914	696	3,106	Negotiation	Mr. Wamiq Ahmed
Changan Alsvin	3,239	1,402	1,837	3,146	Negotiation	Mr. Naveed Iqbal
Changan Alsvin	3,159	1,313	1,846	3,110	Negotiation	Mr. Nouman Afzal
Changan Alsvin	2,940	1,519	1,421	2,825	Negotiation	Mr. Muhammad Fahad Aslam
Changan Alsvin	2,940	1,519	1,421	2,970	Negotiation	Mr. Muhammad Fahad Aslam
Changan Alsvin	2,787	1,300	1,487	2,212	Negotiation	M/s Amin Motors
Changan Alsvin	2,780	1,204	1,576	2,683	Negotiation	Mr. Nouman Afzal
Changan Alsvin	2,780	1,204	1,576	2,738	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,204	1,576	2,706	Negotiation	Mr. Waqas Bashir
Changan Alsvin	2,780	1,158	1,622	2,813	Negotiation	Mr. Muhammad Arshad
Changan Alsvin	2,780	1,203	1,577	2,727	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,203	1,577	2,741	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,203	1,577	2,719	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,575	1,205	2,757	Negotiation	Syed Salman Ali Gillani
Changan Alsvin	2,780	1,204	1,576	2,702	Negotiation	Mr. Waqas Bashir
Changan Alsvin	2,780	1,158	1,622	2,746	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,780	1,390	1,390	2,585	Negotiation	Mr. Sarmad Zameer Khan
Changan Alsvin	2,779	1,297	1,482	2,578	Negotiation	Mr. Mohsin Ilyas
Changan Alsvin	2,502	1,418	1,084	2,511	Negotiation	Mr. Hafiz Muhammad Zaman
Changan Alsvin	2,489	1,618	871	2,610	Negotiation	Mr. Muhammad Fahad Aslam
Changan Alsvin	2,480	1,281	1,199	2,516	Negotiation	Syed Faseeh
Changan Alsvin	2,480	1,240	1,240	2,123	Negotiation	Syed Faseeh
Changan Alsvin	2,480	1,240	1,240	2,139	Negotiation	Mr. Zaid
Changan Alsvin	2,474	1,484	990	2,654	Negotiation	Mr. Muhammad Ahsan Raza
Changan Alsvin	2,473	1,401	1,072	2,566	Negotiation	Mr. Hasham Ali Mubeen
Changan Alsvin	2,409	1,285	1,124	2,731	Negotiation	Mr. Irfan Jamil
Changan Alsvin	2,409	1,606	803	2,386	Negotiation	Syed Jahanzaib Ali
Suzuki Cultus	4,608	2,150	2,458	3,476	Negotiation	Mr. Omair Shuja
Suzuki Cultus	4,419	1,473	2,946	3,286	Negotiation	Mr. Usama Qammar
Suzuki Cultus	4,419	1,473	2,946	3,228	Negotiation	Mr. Usama Qammar
Suzuki Cultus	4,419	1,694	2,725	3,141	Negotiation	Mr. Sarmad Zameer Khan
Suzuki Cultus	4,419	1,620	2,799	3,333	Negotiation	Syed Danish Zaman
Suzuki Cultus	4,419	1,252	3,167	3,417	Negotiation	Mr. Sajeel Khan
Suzuki Cultus	4,415	1,398	3,017	3,338	Negotiation	Mr. Amdad Ali
Suzuki Cultus	4,402	1,247	3,155	3,425	Negotiation	Mr. Muhammad Asad Sarfaraz
Suzuki Cultus	4,402	1,688	2,714	2,890	Negotiation	Mr. Wasim Mirza
Suzuki Cultus	4,402	1,688	2,714	3,289	Negotiation	Mr. Imran
Suzuki Cultus	2,048	1,024	1,024	2,731	Negotiation	Mr. Waqas Bashir
Suzuki Cultus	1,797	958	839	2,616	Negotiation	Mr. Usama Qamar
Suzuki Cultus	1,775	1,184	591	2,563	Negotiation	M/s Amin Motors
Suzuki Cultus	1,775	1,184	591	2,749	Negotiation	Mr. Imran
Suzuki Cultus	1,664	1,054	610	2,490	Negotiation	M/s Tariq Mehmmod Autos
Suzuki Cultus	1,664	1,080	584	2,412	Negotiation	Mr. Hassan Ali
Kia Picanto	3,968	1,521	2,447	2,690	Negotiation	Mr. Muhammad Fahad Aslam
Kia Picanto	3,884	1,360	2,524	2,671	Negotiation	Mr. Sarmad Zameer Khan
Kia Picanto	3,876	1,357	2,519	2,778	Negotiation	Mr. Mohammad Mohsin Mumtaz
Kia Picanto	3,853	1,605	2,248	2,687	Negotiation	M/s Amin Motors
Kia Picanto	3,847	1,603	2,244	2,687	Negotiation	M/s Amin Motors
Kia Picanto	3,847	1,603	2,244	2,620	Negotiation	Mr. Muhammad Fahad Aslam
Kia Picanto	3,822	1,401	2,421	2,642	Negotiation	M/s Amin Motors
Kia Picanto	3,822	1,401	2,421	2,775	Negotiation	Mr. Wasim Mirza
Kia Picanto	3,822	1,401	2,421	2,653	Negotiation	M/s Amin Motors
Kia Picanto	3,817	1,400	2,417	2,710	Negotiation	Mr. Muhammad Talha
Kia Picanto	3,700	1,418	2,282	2,589	Negotiation	Mr. Adeel Ahmed Hussaini
Kia Picanto	3,699	1,664	2,035	2,712	Negotiation	Mr. Usama Qamar
Kia Picanto	3,697	1,232	2,465	2,608	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,697	1,232	2,465	2,726	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,697	1,232	2,465	2,717	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,697	1,294	2,403	2,665	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,697	1,232	2,465	2,712	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,697	1,294	2,403	2,684	Negotiation	Mr. Usama Qamar
Kia Picanto	3,697	1,355	2,342	2,683	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,696	1,109	2,587	2,661	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,695	1,417	2,278	2,686	Negotiation	Mr. Sarmad Zameer Khan
Kia Picanto	3,695	1,725	1,970	2,689	Negotiation	Syed Danish Zaman
Kia Picanto	3,693	1,231	2,462	2,631	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,693	1,231	2,462	2,681	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,692	1,169	2,523	2,681	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,692	1,169	2,523	2,641	Negotiation	Mr. Waqas Bashir
Kia Picanto	3,692	1,292	2,400	2,718	Negotiation	Mr. Adeel Hameed
Balance carried forward	643,898	286,589	357,309	505,304		

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000						
Balance brought forward	643,898	286,589	357,309	505,304		
KIA Picanto	3,692	1,169	2,523	2,628	Negotiation	Mr. Usama Qamar
KIA Picanto	3,691	1,661	2,030	2,444	Negotiation	Mr. Usama Qamar
KIA Picanto	3,690	1,291	2,399	2,710	Negotiation	Mr. M. Mutahir Munir
KIA Picanto	3,690	1,230	2,460	2,670	Negotiation	Mr. Usama Qamar
KIA Picanto	3,690	1,230	2,460	2,577	Negotiation	Mr. Usama Qamar
KIA Picanto	3,690	1,230	2,460	2,712	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,690	1,292	2,398	2,706	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,690	1,292	2,398	2,689	Negotiation	Mr. Usama Qamar
KIA Picanto	3,690	1,230	2,460	2,704	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,690	1,230	2,460	2,626	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,690	1,292	2,398	2,717	Negotiation	Mr. Naveed Ahmed
KIA Picanto	3,689	1,660	2,029	2,527	Negotiation	Mr. Usama Qamar
KIA Picanto	3,685	1,413	2,272	2,687	Negotiation	Mr. Muhammad Ahsan Raza
KIA Picanto	3,651	1,278	2,373	2,629	Negotiation	Syed Riaz Ahmed
KIA Picanto	3,651	1,278	2,373	2,617	Negotiation	M/s Amin Motors
KIA Picanto	3,645	1,276	2,369	2,680	Negotiation	Mr. Muhammad Fahad Aslam
KIA Picanto	3,645	1,276	2,369	2,616	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,645	1,276	2,369	2,685	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,645	1,154	2,491	2,687	Negotiation	Mr. Zaid
KIA Picanto	3,645	1,640	2,005	2,705	Negotiation	Mr. Muhammad Fahad Aslam
KIA Picanto	3,644	1,275	2,369	2,683	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,642	1,335	2,307	2,671	Negotiation	Mr. Ali
KIA Picanto	3,642	1,214	2,428	2,690	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,642	1,214	2,428	2,687	Negotiation	Mr. Zaid
KIA Picanto	3,642	1,275	2,367	2,531	Negotiation	Mr. Imran Saeed
KIA Picanto	3,642	1,275	2,367	2,594	Negotiation	Mr. Zaid
KIA Picanto	3,642	1,275	2,367	2,594	Negotiation	Mr. Zaid
KIA Picanto	3,642	1,275	2,367	2,635	Negotiation	Mr. Muhammad Fahad Aslam
KIA Picanto	3,642	1,214	2,428	2,737	Negotiation	Mr. Zaid
KIA Picanto	3,642	1,760	1,882	2,687	Negotiation	M/s Amin Motors
KIA Picanto	3,641	1,274	2,367	2,569	Negotiation	Mr. Adeel Ahmed Hussaini
KIA Picanto	3,639	1,395	2,244	2,526	Negotiation	Mr. Adeel Ahmed Hussaini
KIA Picanto	3,625	1,269	2,356	2,430	Negotiation	Mr. Faheem Ahmed Chauhan
KIA Picanto	3,625	1,269	2,356	2,641	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,615	1,265	2,350	2,672	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,615	1,506	2,109	2,463	Negotiation	Mr. Muhammad Ahsan Raza
KIA Picanto	3,615	1,265	2,350	2,670	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,614	1,265	2,349	2,561	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,613	1,263	2,350	2,834	Negotiation	Mr. Usama Qamar
KIA Picanto	3,612	1,264	2,348	2,733	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,612	1,263	2,349	2,653	Negotiation	Mr. Usama Qamar
KIA Picanto	3,612	1,746	1,866	2,736	Negotiation	Mr. Rao Farman Ali
KIA Picanto	3,611	1,264	2,347	2,682	Negotiation	Mr. Usama Qamar
KIA Picanto	3,611	1,264	2,347	2,707	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,611	1,264	2,347	2,581	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,607	1,262	2,345	2,714	Negotiation	Mr. Waqas Bashir
KIA Picanto	3,572	1,250	2,322	2,557	Negotiation	Mr. Zaid
KIA Picanto	3,571	1,726	1,845	2,720	Negotiation	Mr. Muhammad Talha
KIA Picanto	3,566	1,248	2,318	2,620	Negotiation	Mr. Muhammad Fahad Aslam
KIA Picanto	3,566	1,367	2,199	2,587	Negotiation	Syed Riaz Ahmed
KIA Picanto	3,564	1,366	2,198	2,644	Negotiation	Mr. Wasim Mirza
KIA Picanto	3,563	1,247	2,316	2,557	Negotiation	Mr. Zaid
KIA Picanto	3,563	1,247	2,316	2,635	Negotiation	Mr. Muhammad Fahad Aslam
Suzuki Wagon R	2,417	1,088	1,329	2,264	Negotiation	Mr. Imran Saeed
Honda City	4,988	1,413	3,575	4,300	Takaful Claim	M/s EFU General Insurance Ltd
Honda City	2,677	1,828	849	3,900	Takaful Claim	M/s Salaam Takaful Limited
Toyota Yaris	4,944	1,566	3,378	4,500	Takaful Claim	M/s EFU General Insurance Ltd
Toyota Yaris	4,907	981	3,926	4,760	Takaful Claim	M/s EFU General Insurance Ltd
Changan Alsvin	3,239	1,457	1,782	3,800	Takaful Claim	M/s EFU General Insurance Ltd
Changan Alsvin	2,480	1,364	1,116	3,400	Takaful Claim	M/s EFU General Insurance Ltd
Toyota Yaris	2,707	1,851	856	857	AMIML Staff Policy	Syed Hussain Naqvi
Suzuki Cultus	2,072	1,105	967	2,514	AMIML Staff Policy	Mohsin Raza
Haval H6	8,574	2,429	6,145	6,144	AMIML Staff Policy	Syed Hussain Naqvi
Hyundai Tucson	8,560	1,569	6,991	7,305	AMIML Staff Policy	M/s EFU General Insurance Ltd
	884,222	373,299	510,923	689,065		

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
	Rupees in '000					
Leasehold improvements						
Civil Works	8,557	7,455	1,102	946	Negotiation	M/s Khan Traders
Civil Works	8,618	8,022	596	447	Negotiation	M/s Muhammadi Cool Center
	17,175	15,477	1,698	1,393		
Electrical, office and computer equipment						
UPS	958	351	607	847	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	958	271	687	614	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	958	271	687	671	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	958	271	687	614	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	1,375	321	1,054	733	Takaful Claim	M/s Adamjee Insurance Company Limited
UPS	1,440	312	1,128	1,152	Takaful Claim	M/s Alfalah Electronics
	6,647	1,797	4,850	4,631		
Other disposals						
Vehicles	418,561	408,715	9,846	203,501		
Electrical, office and computer equipment	560,896	556,656	4,240	178,544		
Furniture and Fixtures	37,508	36,216	1,292	4,778		
Leasehold improvements	7836	7,446	390	5,477		
	1,024,801	1,009,033	15,768	392,300		
Total disposals as at December 31, 2025	1,932,845	1,399,606	533,239	1,087,389		
Total disposals as at December 31, 2024	1,156,716	926,019	230,697	601,553		

13. RIGHT-OF-USE ASSETS

At January 1, 2025
Additions during the year
Adjusted upon reassessment of lease terms
Depreciation charge
Derecognition during the year

At December 31, 2025

Lease terms

2025		
Cost	Accumulated Depreciation	Net book value
Rupees in '000		
34,380,508	(12,757,886)	21,622,622
3,539,084	-	3,539,084
-	-	-
-	(2,986,969)	(2,986,969)
(82,381)	82,381	-
37,837,211	(15,662,474)	22,174,737
		Over legal life

At January 1, 2024
Additions during the year
Adjusted upon reassessment of lease terms
Depreciation charge
Derecognition during the year
At December 31, 2024

Lease terms

2024		
Cost	Accumulated Depreciation	Net book value
Rupees in '000		
30,377,724	(10,510,681)	19,867,043
4,475,718	-	4,475,718
(4,557)	-	(4,557)
-	(2,715,582)	(2,715,582)
(468,377)	468,377	-
34,380,508	(12,757,886)	21,622,622
		Over legal life

13.1 These rental agreements mainly pertain to the branches that are operated throughout Pakistan.

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

	Note	2025	2024
		Rupees in '000	
14 INTANGIBLE ASSETS			
Computer software	14.1	2,420,643	2,290,920
Advance against computer software		1,072,847	669,512
		3,493,490	2,960,432
14.1 At January 1,			
Cost		6,081,693	4,825,708
Accumulated amortisation		3,790,773	3,075,713
Net book value		2,290,920	1,749,995
Year ended December 31,			
Opening net book value		2,290,920	1,749,995
Additions - directly purchased		971,841	1,255,985
Amortisation charge		(842,118)	(715,060)
Closing net book value		2,420,643	2,290,920
At December 31,			
Cost	14.1.1	7,053,534	6,081,693
Accumulated amortisation		4,632,891	3,790,773
Net book value		2,420,643	2,290,920
Rate of amortisation (percentage)		10-33	10-33
Useful life		3 - 10 years	3 - 10 years
14.1.1 Included in cost of intangible assets are fully amortised items still in use aggregating Rs. 2,522 million (2024: Rs. 2,399 million). Remaining life of intangible assets ranges from 1 to 10 years.			

	Note	2025	2024
15 OTHER ASSETS		Rupees in '000	
Profit / return accrued in local currency		73,890,154	86,337,755
Profit / return accrued in foreign currencies		681,900	770,387
Acceptances		25,440,891	28,322,450
Advances, deposits, and other prepayments	15.1	15,950,064	12,427,435
Non-banking assets acquired in satisfaction of claims	15.2 & 15.2.1	521,392	521,392
Mark to market gain on forward foreign exchange commitments		2,518,214	1,661,801
Receivables on account of sale of securities		18,062	-
Dividends receivable		261	261
Stamps		38,215	28,644
Security deposits		570,375	570,824
Receivable from State Bank of Pakistan under Home Remittance		10,734,906	4,261,218
Receivable under Alternate Delivery Channel (ADC)		4,784,283	1,772,365
Others		1,067,997	1,472,304
		136,216,714	138,146,836
Less: Credit loss allowance / provision held against other assets	15.3.1	(619,740)	(504,961)
Other Assets - net of credit loss allowance / provision held		135,596,974	137,641,875

15.1 This includes prepaid takaful aggregating Rs. 1,182.05 million (2024: Rs. 665 million) which is being amortised over a period of one year and prepaid staff benefits amounting to Rs. 12,180.51 million (2024: Rs. 9,218.22 million).

	2025	2024
		Rupees in '000
15.2 Market value of Non-banking assets acquired in satisfaction of claims	503,420	498,450
Market value of the non-banking assets acquired in satisfaction of claims has been carried out by an independent valuers, M/s Chadils Valuation in December 2025 based on prevailing market values determined through independent market inquiries from local active realtors as more detailed in note 45.2. The valuer is listed on the panel of Pakistan Banks' Association.		
15.2.1 Non-banking assets acquired in satisfaction of claims		
		Rupees in '000
Opening balance	521,392	50,243
Addition	280,625	471,208
Depreciation	-	(59)
Transfer to property and equipment	(280,625)	-
Closing balance	521,392	521,392

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

15.3	Credit loss allowance / provision held against other assets	2025	2024
		Rupees in '000	
	Credit loss allowance against other assets		
	Profit / return accrued & others	77,399	101,252
	Acceptances	22,090	45,127
		99,489	146,379
	Provision against other assets		
	Non-banking assets acquired in satisfaction of claims	17,972	22,942
	Others	502,279	335,640
		520,251	358,582
		619,740	504,961

15.3.1 Movement in credit loss allowance / provision held against other assets

Opening balance	504,961	312,592
Impact of adoption of IFRS 9	-	162,964
Charge for the year	306,728	164,122
Reversals	(152,002)	(107,045)
Amount adjusted / written off	(39,947)	(27,672)
Closing balance	619,740	504,961

	Note	2025	2024
		Rupees in '000	
16	BILLS PAYABLE		
	In Pakistan	73,767,955	112,605,407
17	DUE TO FINANCIAL INSTITUTIONS		
	In Pakistan	887,048,227	722,286,318

17.1 Details of due to financial institutions - secured / unsecured

Secured

With State Bank of Pakistan			
Musharakah under Islamic Export Refinance Scheme	17.1.1	39,928,382	58,932,838
Investment under Islamic Long Term Financing Facility	17.1.2	16,112,761	19,743,040
Investment under Islamic Refinance Facility for Combating COVID-19	17.1.2	55,981	331,437
Investment under Islamic Financing for Renewal Energy	17.1.2	15,331,117	17,508,943
Investment under Islamic Temporary Economic Refinance Facility for Plant and Machinery	17.1.2	11,048,651	12,742,132
Investment under Islamic Refinance Scheme for storage of agriculture produce	17.1.2	1,071,071	896,789
Investment under Islamic Refinance and Credit Guarantee Scheme for Women Entrepreneurs (IRCGSWE)	17.1.2	41,973	10,327
Investment under Islamic Refinance Scheme for Working Capital Finance	17.1.2	50,000	-
Investment under Islamic Refinance Scheme for modernization of SMEs (IRFMS)		421,969	181,818
Investment under Islamic Refinance Scheme for SME Asaan Finance	17.1.2	4,846,580	6,192,179
Investment under Shariah Compliant Open Market Operations	17.1.3	29,807,956	390,321,306
Investment under Shariah Compliant Standing Ceiling Facility	17.1.3	444,054,944	47,627,464
Total secured		562,771,385	554,488,273
With Scheduled Bank	17.1.4	155,000,000	60,500,000
Other financial institutions	17.1.5	7,973,336	6,434,755
Unsecured			
Overdrawn nostro accounts		2,773,506	2,083,290
Musharakah with scheduled banks / financial institutions	17.1.6	158,530,000	98,780,000
		887,048,227	722,286,318

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

- 17.1.1** These represent acceptance of funds by the Holding Company on a profit and loss sharing basis maturing between January 2026 to June 2026 and are secured against demand promissory notes executed in favour of SBP. A limit of Rs. 40,289 million (2024: Rs. 60,933 million) has been allocated to the Group by SBP under Islamic Export Refinance Scheme. Last announced profit rate on the Musharakah investment is 3.4% (2024: 7.33%) per annum.
- 17.1.2** These represent acceptance of funds and are on profit and loss sharing basis which has been invested in general pool of the Holding Company and are secured against demand promissory notes executed in favour of SBP. Last announced profit rate on these investments ranges from 0.13% to 3.58% (2024: 0.15% to 5.58%) per annum.
- 17.1.3** These represent acceptance of funds by the Holding Company on Mudarabah basis which has been invested in special pools of the Group and are secured against lien of the Bank's investment in Federal Government securities. The expected average return on Open Market Operations is 10.56% (2024: 13.08%) per annum and Standing Ceiling Facility is 11.50% (2024: 14.00%) per annum.
- 17.1.4** These represent acceptance of funds by the Holding Company on Musharakah basis which are secured against lien of the Holding Company's investment in Federal Government securities (Note 10.2.2). The expected average return on these Musharakah is around 10.38% (2024: 13.25%) per annum. These balances have maturity in January 2026 (2024: January 2025).
- 17.1.5** These Musharakah are on profit and loss sharing basis with Pakistan Mortgage Refinance Company (PMRC) and Karandaaz with the objective of promoting low cost consumer housing and growth in SME financing respectively. The expected average return on Karandaaz Musharakah ranges from 11.57% to 23.56% (2024: 11.64% to 24.59%) per annum. The expected profit rate on PMRC borrowing is 10.75% (2024: 13.74%) per annum have maturity in November 2027.
- 17.1.6** These represent acceptance of funds by the Holding Company on Musharakah basis. The expected average return on these Musharakah is around 10.68% (2024: 12.23%) per annum. These balances have maturity in January 2026 (2024: January 2025).

	2025	2024
17.2 Particulars of due to financial institutions with respect to Currencies	Rupees in '000	
- in local currency	884,274,721	720,203,028
- in foreign currencies	2,773,506	2,083,290
	<u>887,048,227</u>	<u>722,286,318</u>
17.3 Particulars of due to financial institutions		
- short term	832,934,405	660,958,538
- long term	54,113,822	61,327,780
	<u>887,048,227</u>	<u>722,286,318</u>

18 DEPOSITS AND OTHER ACCOUNTS

	2025			2024		
	In Local currency	In Foreign currencies	Total	In Local currency	In Foreign currencies	Total
	Rupees in '000					
Customers						
- Current deposits - non-remunerative	1,492,909,032	73,740,245	1,566,649,277	1,135,625,316	66,726,436	1,202,351,752
- Savings deposits	1,327,066,220	86,367,358	1,413,433,578	1,083,985,583	80,885,820	1,164,871,403
- Fixed deposits	268,077,826	14,512,825	282,590,651	164,386,854	15,146,642	179,533,496
- Margin	20,623,920	246,738	20,870,658	19,147,349	1,987,535	21,134,884
	<u>3,108,676,998</u>	<u>174,867,166</u>	<u>3,283,544,164</u>	<u>2,403,145,102</u>	<u>164,746,433</u>	<u>2,567,891,535</u>
Financial institutions						
- Current accounts - non-remunerative	1,588,353	200,949	1,789,302	4,692,359	611,371	5,303,730
- Savings deposits	12,584,570	8,771	12,593,341	11,298,518	48	11,298,566
- Fixed deposits	4,410,600	-	4,410,600	89,840	-	89,840
	<u>18,583,523</u>	<u>209,720</u>	<u>18,793,243</u>	<u>16,080,717</u>	<u>611,419</u>	<u>16,692,136</u>
	<u>3,127,260,521</u>	<u>175,076,886</u>	<u>3,302,337,407</u>	<u>2,419,225,819</u>	<u>165,357,852</u>	<u>2,584,583,671</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

	2025	2024
	Rupees in '000	
18.1 Composition of deposits		
- Individuals	2,362,362,828	1,897,354,434
- Government (Federal and Provincial)	31,934,844	40,595,661
- Public sector entities	3,601,142	22,549,444
- Banking companies	858,908	229,428
- Non-Banking financial institutions	17,934,335	16,554,062
- Private sector	885,645,350	607,300,642
	<u>3,302,337,407</u>	<u>2,584,583,671</u>
18.2 Particulars of deposits and other accounts in Pakistan		
- In local currency		
Mudaraba based deposits	1,627,253,606	1,271,941,516
Qard based deposits	1,500,006,915	1,147,284,303
	<u>3,127,260,521</u>	<u>2,419,225,819</u>
- In foreign currencies		
Mudaraba based deposits	101,092,358	98,014,090
Qard based deposits	73,984,528	67,343,762
	<u>175,076,886</u>	<u>165,357,852</u>
	<u>3,302,337,407</u>	<u>2,584,583,671</u>

18.3 This includes eligible deposits covered under deposit protection scheme amounting to Rs. 2,792,508 million (2024: Rs. 2,259,491 million).

	2025	2024
	Rupees in '000	
19. LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS		
Opening balance	26,286,276	22,412,164
Additions during the year	3,539,084	4,475,718
Adjusted upon reassessment of lease term	-	(4,557)
Amortisation of lease liability against right-of-use assets	4,233,547	3,869,085
Payments made during the year	(5,169,777)	(4,466,134)
Closing balance	<u>28,889,130</u>	<u>26,286,276</u>

19.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	738,983	483,404
Long-term lease liabilities		
- 1 to 5 years	5,225,651	4,293,245
- 5 to 10 years	6,877,349	6,452,888
- More than 10 years	16,047,147	15,056,739
	<u>28,150,147</u>	<u>25,802,872</u>
	<u>28,889,130</u>	<u>26,286,276</u>

	Note	2025	2024
		Rupees in '000	
20 SUB-ORDINATED SUKUKS			
Additional Tier I Sukuk	20.1	7,000,000	7,000,000
Tier II Sukuk	20.2	9,990,000	13,990,000
		<u>16,990,000</u>	<u>20,990,000</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

- 20.1** In August 2018, the Holding Company issued regulatory Shariah compliant unsecured, sub-ordinated privately placed Additional Tier I Sukuk based on Mudaraba of Rs. 7,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Additional Tier I sukuk is as follows:

Credit Rating	AA+ (Double A plus) by VIS Credit Rating Company Limited.
Issue Date	August 01, 2018
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual. However, the Holding Company has call option which can be exercised with prior approval of SBP.
Expected Periodic Profit Amount (Mudaraba Profit Amount)-Non-discretionary subject to actual profit of the pool	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 12.98% per annum.
Call Option	The Holding Company may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares (variable) upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, upon directive of the SBP, if such payment will result in a shortfall in the Holding Company's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

- 20.2** In December 2021, the Holding Company issued regulatory Shariah compliant unsecured, subordinated privately placed Tier II Sukuks based on Mudaraba of Rs 9,990 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Tier II sukuks is as follows:

Credit Rating	AAA (Triple A) by VIS Credit Rating Company Limited.
Issue Date	December 16, 2021
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected Periodic Profit Amount (Mudaraba Profit Amount)-Non-discretionary subject to actual profit of the pool	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuks is 11.59% per annum.
Call Option	The Holding Company may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares (variable) upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk upon directive of the SBP, if such payment will result in a shortfall in the Holding Company's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

- 20.3** During the period, the Holding Company exercised Call Option with prior approval of SBP in respect of its regulatory Shariah compliant unsecured, subordinated privately placed Tier II sukuks of Rs 4,000 million issued by the Holding Company in January 2020. The principal and profit component of these sukuks were paid back to investors in June 2025.

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

21 DEFERRED TAX LIABILITIES

	2025				
	At January 1, 2025	Recognised in the consolidated statement of profit and loss account	Recognised in the consolidated statement of comprehensive income	Recognised in Unappropriated Profits	At December 31, 2025
	Rupees in '000				
Taxable temporary differences on:					
Excess of accounting book values over tax written down values of owned assets	1,115,107	223,791	-	-	1,338,898
Surplus on revaluation of FVOCI Investments	23,986,292	-	(8,407,840)	-	15,578,452
Surplus on revaluation of FVTPL investments	4,616	8,986	-	-	13,602
Right-of-use assets	-	11,477,872	-	-	11,477,872
Tax on accumulated profit of associates	1,309,063	915,427	-	-	2,224,490
	26,415,078	12,626,076	(8,407,840)	-	30,633,314
Deductible temporary differences on:					
Net credit loss allowance against investments	147	(165,914)	-	-	(165,767)
Income not accrued due to non-culmination of financing	(5,759,073)	2,347,259	-	-	(3,411,814)
Lease liability against right-of-use assets	-	(14,960,606)	-	-	(14,960,606)
Net credit loss allowance against Islamic financing and related assets	(4,620,736)	(3,192,108)	-	-	(7,812,844)
Others	(504,658)	(179,772)	9,782	-	(674,648)
	(10,884,320)	(16,151,141)	9,782	-	(27,025,679)
	15,530,758	(3,525,065)	(8,398,058)	-	3,607,635
	2024				
	At January 1, 2024	Recognised in the consolidated statement of profit and loss account	Recognised in the consolidated statement of comprehensive income	Recognised in Unappropriated Profits	At December 31, 2024
	Rupees in '000				
Taxable temporary differences on:					
Excess of accounting book values over tax written down values of owned assets	898,718	216,389	-	-	1,115,107
Surplus on revaluation of FVOCI Investments	10,995,024	-	11,703,846	1,287,422	23,986,292
Surplus on revaluation of FVTPL investments	(502,685)	505,034	-	2,267	4,616
Tax on accumulated profit of associates	738,518	570,545	-	-	1,309,063
	12,129,575	1,291,968	11,703,846	1,289,689	26,415,078
Deductible temporary differences on:					
Net credit loss allowance against investments	(1,037,263)	(318,008)	-	1,355,418	147
Income not accrued due to non-culmination of financing	(4,982,219)	(776,854)	-	-	(5,759,073)
Net credit loss allowance against Islamic financing and related assets	(826,762)	(1,980,933)	-	(1,813,041)	(4,620,736)
Others	(402,021)	(578,973)	(9,261)	485,597	(504,658)
	(7,248,265)	(3,654,768)	(9,261)	27,974	(10,884,320)
	4,881,310	(2,362,800)	11,694,585	1,317,663	15,530,758

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

	Note	2025	2024
22 OTHER LIABILITIES		Rupees in '000	
Return on deposits and other dues			
- payable in local currency	22.1	11,957,873	12,658,579
- payable in foreign currencies		361,916	319,959
Unearned income	22.2	8,975,298	4,301,617
Accrued expenses	22.3	36,846,940	41,246,032
Current taxation (provision less payments)		9,099,240	17,802,646
Acceptances		25,440,891	28,322,450
Dividend payable (including unclaimed dividend)		44,321	41,374
Payable to defined benefit plan	41.3, 41.15 & 41.16	2,706,981	2,279,476
Credit loss allowance off-balance sheet obligations	22.4	275,119	302,882
Charity payable	22.5	2,135	31,527
Security deposits against Ijarah		34,228,937	20,777,476
Payable on account of credit murabaha / ijarah / musawammah	22.6	837,998	662,558
Security deposits against lockers		257,649	232,090
Mark to market loss on forward foreign exchange commitments - net		1,731,205	2,347,221
Withholding taxes payable		1,501,158	666,097
Workers' Welfare Fund payable	22.7	18,530,908	14,168,366
Payable under Alternate Delivery Channel (ADC)		62,915,680	26,625,633
Others		3,382,786	3,489,968
		<u>219,097,035</u>	<u>176,275,951</u>

22.1 This includes Rs. 376 million (2024: Rs. 1,294 million) in respect of return accrued on acceptances from SBP under the Islamic Export Refinance Scheme and Rs. 310.90 million (2024: Rs. 376.80 million) in respect of return accrued on acceptances from the SBP under various Islamic Long Term Refinance Schemes.

22.2 Unearned income mainly relates to Alternate Distribution Channels which is expected to be recognised as income in the next financial year.

22.3 During the year, the Holding Company reversed Rs. 10,900 million on account of an estimate for variable remuneration relating to prior years based on the assessment finalised during the current year.

	Note	2025	2024
22.4 Credit loss allowance against off-balance sheet obligations		Rupees in '000	
Opening balance		302,882	55,167
Impact of adoption of IFRS 9		-	269,835
Charge for the year		222,750	175,232
Reversals for the year		(250,513)	(197,352)
Closing balance	22.4.1	<u>275,119</u>	<u>302,882</u>

22.4.1 This represents provision recognised against guarantees, letter of credit and unutilised financing commitments.

	Note	2025	2024
22.5 Reconciliation of charity payable		Rupees in '000	
Balance as at January 1,		31,527	242
Additions during the year		233,274	190,964
Less: Transferred to charity savings account (included in deposits and other accounts)	22.5.1	(262,666)	(159,679)
Balance as at December 31,		<u>2,135</u>	<u>31,527</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

22.5.1 Charity paid through savings account during the year is Rs. 311.62 million (2024: Rs. 195.00 million). Charity of Rs.100,000 or higher was paid to the following organisations:

	2025	2024
	Rupees in '000	
Ihsan Trust - Related Party	110,000	88,500
Lahore University of Management Sciences	106,171	-
CEIF, IMSciences	17,695	-
Baitussalam Welfare Trust	6,000	5,000
Indus Hospital & Health Network	6,000	5,000
The Patients' Behbud Society for The Aga Khan University Hospital	5,000	2,000
NED University of Engineering & Technology	5,000	750
Hailey College of Commerce	5,000	750
Balochistan University of Information Technology, Engineering and Management Sciences	5,000	750
Bahria University Karachi	5,000	500
The Hunar Foundation	5,000	-
University of Agriculture, Faisalabad	5,000	-
Saylani Welfare Trust	3,000	1,000
Alamgir Welfare Trust International	3,000	4,500
Shahid Afridi Foundation	2,000	-
Karachi Institute Of Kidney Diseases	2,000	-
Transformation International Society, Karachi	2,000	3,000
Karachi Vocational Training Centre	2,000	2,000
ChildLife Foundation, Karachi	1,500	1,000
Afzaal Memorial Thalassemia Foundation	1,500	3,000
Orange Tree Foundation	1,500	1,000
Family Educational Services Foundation	1,500	1,000
Rashid Memorial Welfare Organization	1,000	2,000
Frontier Foundation Welfare Hospital & Blood Transfusion	1,000	-
Al-Mujtaba Education Trust	1,000	-
Patients Aid Foundation, Jinnah Postgraduate Medical Centre, Karachi	1,000	1,000
Al Mustafa Trust	1,000	1,000
Help of Patients in Exigency by Students (HOPES)	1,000	-
Society for Audiological and Developmental Ailments (SADA)	1,000	-
Kutiyana Memon Association	1,000	-
National University of Sciences and Technology	750	-
Ulphat Welfare Organization	500	-
Foundation University	500	-
Zaman Foundation	500	-
Dua Foundation	500	-
The Cancer Foundation, Karachi	-	6,000
Omair Sana Foundation	-	5,500
Kashif Iqbal Thalassemia Care Center	-	4,500
Akhuwat Foundation	-	3,000
SSWAB Trust (Kidney Care & Dialysis Centre)	-	2,500
Diya Pakistan - Related Party	-	2,500
Green Crescent Trust	-	2,000
Karachi Down Syndrome Program (KDSP)	-	2,000
Pakistan's Childrens' Heart Foundation	-	1,500
Muhammadi Haematology Oncology Services & Welfare Foundation	-	1,500
Balance carried forward	311,616	154,750

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

	2025	2024
	Rupees in '000	
Balance brought forward	311,616	154,750
Molana Tariq Jamil Foundation	-	1,500
Bin Qutab Foundation	-	1,500
Professional Education Foundation - Related Party	-	1,500
Khadija Tul Kubra Welfare Trust	-	1,500
Health and Nutrition Development Society (HANDS)	-	1,500
University of Karachi	-	1,500
Roshni Homes Trust	-	1,000
Umeed Welfare Foundation	-	1,000
Sahil Welfare Association	-	1,000
Haqooq-e-Insaniyat Social Welfare Organization	-	1,000
Patients Welfare Foundation, Creek General Hospital	-	1,000
Idara Al-Khair Welfare Society	-	1,000
Prevention of Blindness Trust	-	1,000
Patel Foundation	-	1,000
Pakistan Disabled Foundation	-	1,000
Mukhtaran Rafiq Foundation	-	1,000
Kiran Foundation	-	1,000
Ida Rieu Welfare Association	-	1,000
Mehran Welfare Trust	-	1,000
Rights of Special Persons (ROSP) Welfare Foundation	-	1,000
National Disability & Development Forum	-	1,000
Health Promotion Foundation	-	1,000
Pakistan Islamic Medical Association	-	1,000
Bioniks Welfare Foundation	-	1,000
Institute of Business Administration - Centre for Excellence in Islamic Finance	-	1,000
Bahauddin Zakariya University	-	750
Quaid-e-Azam University	-	750
Riphah International University	-	750
Islamia University of Bahawalpur	-	750
Sukkur IBA University	-	750
Chhipa Welfare Association	-	500
NICE Welfare Society	-	500
The Life Care Foundation Trust	-	500
Jamiyat Punjabi Saudagran-e-Delhi	-	500
Bahria University Islamabad	-	500
Madawa Welfare Society	-	500
Pakistan Association of Deaf	-	500
Read Foundation	-	500
COMSATS University	-	500
National University Of Modern Languages	-	500
Islamia University of Bahawalpur (Rahim Yar Khan Campus)	-	500
Shaheed Zulfiqar Bhutto University	-	500
Muhammad Ali Jinnah University	-	500
Chinot Anjuman-e-Islamia	-	500
University of Engineering and Technology, Lahore	-	500
Air University	-	500
Institute of Business Management, Karachi	-	500
	311,616	195,000

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

22.5.2 The balance in Charity's savings account is Rs. 176.37 million (2024: Rs. 216.78 million).

22.5.3 Movement of charity fund during the year is as under:

	2025	2024
	Rupees in '000	
Opening balance	248,306	228,076
Additions during the year		
Received from customers on delayed payment	194,586	160,034
Dividend purification amount	34,958	23,681
Non-shariah compliant income	3,730	7,249
Profit on charity saving account (net of tax and bank charges)	8,539	24,266
	241,813	215,230
Distribution of Charity		
Education	(274,116)	(112,500)
Health	(25,000)	(48,500)
Community Development	(12,500)	(34,000)
	(311,616)	(195,000)
Closing balance	178,503	248,306

22.6 This represents payable on account of credit Musawammah in accordance IBD Circular No. 02 of 2012 issued by the State Bank of Pakistan.

22.7 The Holding Company and Subsidiary Companies (AMIML and MECL) have made full provision for workers' welfare fund (WWF) and sindh workers' welfare fund (SWWF), respectively. The Subsidiary Company (AMIML) believes that SWWF is not applicable on the Company as it is not a Financial Institution as defined under SWWF and in respect of WWF, the Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of workers welfare fund were not lawful. The Federal Board of Revenue filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not be treated as conclusive. Accordingly, the Group continues to maintain the provision in respect of WWF and SWWF.

23 SHARE CAPITAL

23.1 Authorised capital

2025 (Number of Shares)	2024		2025	2024
			Rupees in '000	
3,253,860,000	3,253,860,000	Ordinary shares of Rs 10 each	32,538,600	32,538,600

23.2 Issued, subscribed and paid up capital

		Fully paid-up ordinary shares of Rs 10 each		
527,448,239	521,634,301	Issued for cash	5,274,482	5,216,343
1,273,106,413	1,273,106,413	Issued as bonus shares	12,731,064	12,731,064
1,800,554,652	1,794,740,714		18,005,546	17,947,407

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

23.3 Shareholding held by associated companies / entities are as follows:

Name of Shareholders	2025		2024	
	Number of shares held	Percentage of Shareholding	Number of shares held	Percentage of Shareholding
Noor Financial Investment Company, Kuwait	630,819,684	35.03%	630,819,684	35.15%
Pakistan Kuwait Investment Company (Private) Limited	536,887,288	29.82%	536,887,288	29.91%
Islamic Development Bank, Jeddah	166,863,457	9.27%	166,863,457	9.30%
CDC - Trustee Meezan Islamic Fund	10,816,155	0.60%	8,269,520	0.46%
CDC - Trustee Al Meezan Mutual Fund	3,567,918	0.20%	1,465,284	0.08%
CDC - Trustee Meezan Tahaffuz Pension Fund	1,588,722	0.09%	1,023,222	0.06%
CDC - Trustee KSE Meezan Index Fund	1,112,339	0.06%	1,732,391	0.10%
CDC - Trustee Meezan Balanced Fund	440,671	0.02%	200,744	0.01%
CDC - Trustee Meezan Dedicated Equity Fund*	148,388	0.01%	32,843	-
CDC - Trustee Meezan Asset Allocation Fund*	198,351	0.01%	48,698	-
Trustee Habbah Education Trust*	72,532	-	72,532	-
CDC - Trustee Meezan Pakistan Exchange Traded Fund*	-	-	89,452	-
CDC - Trustee Meezan Dynamic Asset Allocation Fund	180,251	0.01%	13,748	-
Trustee Pakistan Centre for Philanthropy	44,480	-	44,480	-

* Nil percentage due to round off

24 RESERVES	Note	2025	2024
		Rupees in '000	
Share premium		3,879,234	3,104,253
Statutory reserve	24.1	49,671,959	40,767,834
Non distributable capital reserve - gain on bargain purchase		3,117,547	3,117,547
Employee share option compensation reserve	43	1,224,942	945,867
General reserve		91,082	91,082
		<u>57,984,764</u>	<u>48,026,583</u>

24.1 Under section 21(i)(b) of the Banking Companies Ordinance, 1962, an amount not less than 10% of the profit is to be transferred to create a reserve fund.

25 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX	2025	2024
	Rupees in '000	
Surplus on revaluation of:		
- Securities measured at FVOCI - Debt	22,330,075	41,309,631
- Securities measured at FVOCI - Equity	7,628,487	4,817,853
	<u>29,958,562</u>	<u>46,127,484</u>
Less: Deferred tax surplus on revaluation of :		
- Securities measured at FVOCI - Debt	(11,611,639)	(21,481,008)
- Securities measured at FVOCI - Equity	(3,966,813)	(2,505,284)
	<u>(15,578,452)</u>	<u>(23,986,292)</u>
	<u>14,380,110</u>	<u>22,141,192</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

26	NON-CONTROLLING INTEREST	Note	2025	2024
			Rupees in '000	
	Opening balance		1,913,643	1,549,609
	Share of profit for the year		1,461,227	1,030,254
	Remeasurements of defined benefit plan - net of tax (directly recognised in in the consolidated statement of comprehensive income)		5,356	(5,070)
	Dividend payout by subsidiary		(857,500)	(661,150)
	Closing balance		2,522,726	1,913,643
26.1	Subsidiaries			
	AI Meezan Investment Management Limited			
	Percentage of holding		65%	65%
	Assets		10,399,201	8,130,073
	Liabilities		3,191,414	2,662,520
	Revenue / income		10,021,355	7,137,629
	Profit after taxation		4,174,933	2,943,580
	Total comprehensive income		4,174,933	2,943,580
	Breakup value based on latest available audited financial statements & based on holding percentage		4,685,062	3,206,873
	Meezan Exchange Company (Private) Limited			
	Percentage of holding		100%	100%
	Assets		1,058,545	1,056,636
	Liabilities		27,109	23,572
	Revenue / income		200,051	186,676
	Profit after taxation		836	33,064
	Total comprehensive income		836	33,064
	Breakup value based on latest available audited financial statements & based on holding percentage		1,031,436	1,033,064
27	CONTINGENCIES AND COMMITMENTS			
	- Guarantees	27.1	94,577,231	78,286,727
	- Commitments	27.2	1,739,809,762	1,810,593,972
	- Other contingent liabilities	27.3	1,802,000	1,802,000
			1,836,188,993	1,890,682,699
27.1	Guarantees:			
	Financial guarantees		30,395	30,395
	Performance guarantees		59,177,602	53,520,467
	Other guarantees		35,369,234	24,735,865
			94,577,231	78,286,727
27.2	Commitments:			
	Documentary letters of credit		311,246,151	369,351,453
	Commitments in respect of:			
	- forward foreign exchange transactions	27.2.1	380,719,312	280,886,420
	Commitments for acquisition of:			
	- property and equipment		1,619,997	799,899
	- intangible assets		1,077,033	904,732
	Other commitments	27.2.2	1,045,147,269	1,158,651,468
			1,739,809,762	1,810,593,972
27.2.1	Commitments in respect of forward foreign exchange transactions			
	Purchase		200,854,639	163,944,780
	Sale		179,864,673	116,941,640
			380,719,312	280,886,420
27.2.2	Other Commitments			
	Commitments in respect of financing	27.2.2.1	1,045,147,269	1,158,651,468

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

27.2.2.1 The Holding Company makes commitments to extend credit (including to related parties) in the normal course of business but these being revocable commitments do not attract any significant penalty or the expense if the facility is unilaterally withdrawn, other than commitments in respect of syndicated / long term financings amounting to Rs. 129,795 million (2024: Rs. 68,809 million).

27.3 Other contingent liabilities

27.3.1 Holding Company:

The Income Tax Department amended the deemed assessment orders of the Holding Company for prior years including the tax year 2024. The additions / disallowances were mainly due to allocation of expenses relating to dividends and capital gain, allowability of provision against Islamic financing and related assets, provision against investments and provision against other assets. In the amended order for tax year 2015, additional issues with respect to the taxability of gain on bargain purchase, non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches and the levy of super tax were also raised. The matter has been decided in Holding Company's favour by Appellate Tribunal Inland Revenue. Both the Holding Company and the tax department filed a reference with the High Court of Sindh in respect of the aforementioned matters.

The management of the Holding Company, in consultation with its tax advisors, is confident that the decision in respect of the above matters would be in Holding Company's favour and accordingly no provision has been made in these consolidated financial statements with respect thereto. The additional tax liability in respect of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches is Rs. 1,096 million and Rs. 706 million respectively.

28	PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS	Note	2025	2024
			Rupees in '000	
	Profit / return earned on:			
	- Financing	28.1	148,885,029	186,397,118
	- Investment		267,475,791	303,045,864
	- Deposits / placements with financial institutions		4,120,493	4,867,375
			<u>420,481,313</u>	<u>494,310,357</u>

28.1 The income on Ijarah under IFAS 2 is net of takaful of Rs.3,456 million (2024: Rs.1,891 million) recovered from customers.

28.2	Profit / return recorded on financial assets measured at:	Note	2025	2024
			Rupees in '000	
	- Fair value through profit or loss		206,615	494,160
	- Fair value through other comprehensive income		258,117,642	257,093,185
	- Amortised cost		162,157,056	236,723,012
			<u>420,481,313</u>	<u>494,310,357</u>

29 PROFIT / RETURN ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts	29.1	108,931,936	144,776,459
Sub-ordinated sukuks		2,358,041	4,562,021
Shariah Compliant Open Market Operations and Standing Ceiling Facility from the State Bank of Pakistan		35,301,164	29,066,824
Other Musharakahs / Mudarabas	29.2	17,202,114	24,992,836
Amortisation of lease liability against right-of-use assets		4,233,547	3,869,085
		<u>168,026,802</u>	<u>207,267,225</u>

29.1 This includes conversion cost of Rs. 2,318 million (2024: Rs. 4,541 million) against foreign currency deposits.

29.2 This includes Rs. 2,269 million (2024: Rs. 7,175 million) paid / payable to SBP under Islamic Export Refinance Scheme and Rs. 2,325 million (2024: Rs. 1,524 million) paid / payable to SBP under the various Islamic Long Term Refinance Schemes.

Notes to and Forming Part of the Consolidated Financial Statements

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30	FEE AND COMMISSION INCOME	Note	2025	2024
Rupees in '000				
	Trade related fees and commissions	30.1	6,142,599	5,213,310
	Management fees in respect of mutual funds		7,841,048	4,372,362
	Commission on guarantees		395,902	238,968
	Branch banking customer fees		4,026,990	3,451,188
	Credit related fees	30.2	133,339	132,436
	Debit card related fees		9,085,935	9,571,044
	Investment banking related fees		968,673	507,766
	Commission on cash management		581,282	445,768
	Commission on home remittances		413,815	602,818
	Wealth management fees		154,597	1,294,252
	Others		7,142	8,279
			<u>29,751,322</u>	<u>25,838,191</u>

30.1 Trade related income pertains to corporate, commercial and SME segments. Branch banking fees pertain to retail banking segment while debit card fee pertains to alternative delivery channel segment.

30.2 This includes consumer processing fees of Rs. 63.71 million (2024: Rs. 49.61 million).

31	GAIN ON SECURITIES	Note	2025	2024
Rupees in '000				
	Realised - net	31.1	971,719	3,507,565
	Unrealised - measured as FVTPL / held for trading - net	31.2	17,610	4,351
			<u>989,329</u>	<u>3,511,916</u>

31.1 Realised gain on:

Federal Government securities	971,697	3,507,565
Associates	22	-
	<u>971,719</u>	<u>3,507,565</u>

31.2 Net gain on financial assets measured at FVTPL

- designated upon initial recognition	-	-
- mandatorily measured at FVTPL	17,610	4,351
	<u>17,610</u>	<u>4,351</u>
Net realised gain on financial assets measured at FVOCI	969,177	3,507,565
	<u>986,787</u>	<u>3,511,916</u>

32 NET LOSS ON FINANCIAL ASSETS MEASURED AT AMORTISED COST

Loss on derecognition of financial assets measured at amortised cost	-	(186,473)
	<u>-</u>	<u>(186,473)</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

33 OTHER INCOME		2025	2024
		Rupees in '000	
Gain on termination of			
- Ijarah financing		887,371	769,661
- Diminishing Musharakah and other financing		22,123	50,316
Gain on sale of property and equipment		554,150	370,856
Others		130,858	38,735
		<u>1,594,502</u>	<u>1,229,568</u>
34 OPERATING EXPENSES			
	Note		
Total compensation expense	34.1	41,639,216	46,185,633
Property expense			
Depreciation on right-of-use assets		2,986,969	2,715,582
Rent and taxes		195,092	491,091
Utilities cost (including electricity and diesel)		3,219,462	3,836,498
Security (including guards)		2,054,679	1,737,807
Repair and maintenance (including janitorial charges)		1,712,266	1,264,758
Depreciation		1,542,577	1,278,768
Takaful expenses		88,613	25,583
Others		37,808	35,177
		<u>11,837,466</u>	<u>11,385,264</u>
Information technology expenses			
Software maintenance		3,332,485	2,743,189
Hardware maintenance		597,842	651,526
Depreciation		2,154,234	1,824,485
Amortisation		842,118	715,060
Network charges		390,485	387,127
		<u>7,317,164</u>	<u>6,321,387</u>
Other operating expenses			
Stationery and printing (including debit card related cost)		2,557,046	2,797,673
Repairs and maintenance		2,175,965	900,782
Local transportation and car running		2,197,633	2,018,794
Depreciation on vehicles, equipment etc.		3,617,511	2,926,313
Legal and professional charges		202,474	236,525
NIFT and other clearing charges		450,044	329,737
Marketing, advertisement and publicity		2,720,637	1,676,250
Security charges - cash transportation		2,012,292	1,588,641
Communication (including courier)		4,941,767	3,102,294
Travelling and conveyance		404,711	402,663
Training and development		186,782	137,870
Donations		-	5,878
Fees, subscription and other charges		1,394,313	389,132
Brokerage and bank charges		577,621	364,837
Office supplies		837,204	741,049
Entertainment		145,136	113,146
Takaful expense		402,473	385,717
Outsourced services costs	34.2	80,362	-
Auditors' remuneration	34.3	92,130	57,906
Fees and allowances to Shariah Board	44	77,941	70,064
Directors' fees and allowances	44	78,200	86,380
Others		56,147	644,932
Reimbursement of expenses from Collective Investment Scheme (CIS)	34.4	(596,748)	(1,212,822)
		<u>24,611,641</u>	<u>17,763,761</u>
		<u>85,405,487</u>	<u>81,656,045</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

34.1 Total compensation expense	Note	2025	2024
		Rupees in '000	
Managerial remuneration			
i) Fixed		25,054,616	21,229,476
ii) Variable			
a) Cash Bonus / Awards etc.	22.3	10,337,323	20,450,664
b) Share based compensation expense	43	748,898	590,776
Charge for defined benefit plan	41	1,703,577	1,081,882
Contribution to defined contribution plan	42	1,083,557	899,028
Compensated absences		314,780	390,993
Others including EOBI, SESSI, uniform, sports etc.		2,396,465	1,542,814
Total compensation expense		41,639,216	46,185,633

34.2 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 7,055 million (2024: Rs. 6,103 million). This cost includes outsourced service costs, which are disclosed specifically in note 34. The entire cost pertains to payments to companies incorporated in Pakistan and mainly on account of security guards, janitorial staff and courier services.

34.3 Auditors' remuneration	2025	2024
	Rupees in '000	
Audit fee	25,625	22,428
Fee for interim review	7,350	5,600
Special certifications / review / tax advisory services	37,833	22,775
	70,808	50,803
Sindh sales tax on services	6,047	3,600
Out of pocket expenses	4,355	3,503
Reimbursement for technical IFRS review of financial statements by global network	10,920	-
	15,275	3,503
	92,130	57,906

This includes remuneration pertaining to tax advisory services amounting to Rs. 27 million (2024: Rs. 20 million).

34.4 The reimbursement of expenses has been discontinued during the current year in line with circular S.R.O.600(I)/2025 dated April 10, 2025, issued by the Securities and Exchange Commission of Pakistan (SECP).

35 OTHER CHARGES	2025	2024
	Rupees in '000	
Penalties imposed by the State Bank of Pakistan	80,701	435,343

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36	CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET	Note	2025	2024
			Rupees in '000	
	Net credit loss allowance against non-performing Islamic financing and related assets	11.8	3,722,393	8,833,564
	Net (reversal of) / credit loss allowance against investments	10.3	(26,083)	222,190
	Net credit loss allowance / (reversal of credit loss allowance) against cash and balance with treasury banks	7	5,983	(27,886)
	Net credit loss allowance against balances with other banks	8	6,150	15,557
	Net credit loss allowance / provision against other assets	15.3.1 & 36.1	154,726	57,077
	Net credit loss allowance against due from financial institution	9.3.1	191	-
	Net credit loss allowance against off-balance sheet obligations and other liabilities	22.4	(27,763)	(22,120)
	Recoveries of written off financings	36.2	(36,325)	(2,027)
	Others		86,459	146,050
			<u>3,885,731</u>	<u>9,222,405</u>

36.1 This mainly represents provision (net of recoveries) against operational losses incurred by the Holding Company in the current or prior years. Further, the provision for credit loss allowance in respect of financial assets has also been recorded in the current year.

36.2 This includes recoveries against financing written off by HSBC ME prior to its acquisition by the Holding Company.

37	TAXATION	Note	2025	2024
			Rupees in '000	
	Current	37.1	108,590,405	125,442,485
	Prior years	37.2	3,054,936	(17,081)
	Deferred	21	(3,525,065)	(2,865,485)
			<u>108,120,276</u>	<u>122,559,919</u>

37.1 The super tax amounting to Rs. 21,113 million (2024: Rs. 22,879 million) has been recorded by the Group based on taxable income for the year.

37.2 This includes tax charge amounting to Rs. 2,443.93 million relating to taxability of right-to-use assets and lease liability against right-of-use assets (IFRS 16 adjustments) as introduced in the Seventh Schedule to the Income Tax Ordinance, 2001 vide the Finance Act, 2025.

37.3	Relationship between tax expense and accounting profit	2025	2024
		Rupees in '000	
	Profit before taxation	<u>200,298,738</u>	<u>226,279,254</u>
	Effects of:		
	- Tax calculated at the applicable rate of 43% / 44%	86,077,174	99,283,657
	- Super tax @ 10%	21,113,176	22,879,105
	- Expenses not deductible for tax purposes	(78,079)	186,914
	- Other additions / adjustments for tax purposes	975,876	(205,340)
	- Income chargeable to tax at reduced rate	9,367	(191,110)
	- Others	22,762	606,693
	Tax charge for the year	<u>108,120,276</u>	<u>122,559,919</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

38 BASIC AND DILUTED EARNINGS PER SHARE

Note	2025	2024
	Rupees in '000	
	(Number)	
	90,717,235	102,689,081
	(Rupees)	
38.4	50.47	57.28

38.1 Basic earnings per share

Profit for the year

Weighted average number of ordinary shares

Basic earnings per share

38.2 Diluted earnings per share

Profit for the year

Weighted average number of ordinary shares

Diluted earnings per share

38.3 Reconciliation of basic and diluted earning per share

Weighted average number of ordinary shares
Add: Diluted impact of Employee stock option scheme
Dilutive potential ordinary shares

38.4 The Holding Company has issued 5,813,938 (September 30, 2024: 3,487,520) shares amounting to Rs. 417.51 million (September 30, 2024: Rs. 258.89 million) under employees share option scheme. These shares were issued in July 2025 (2024: July 2024).

39 CASH AND CASH EQUIVALENTS

Note	2025	2024
	Rupees in '000	
7	330,810,281	260,873,367
8	15,439,064	13,290,726
17.1	(2,773,506)	(2,083,290)
	343,475,839	272,080,803

39.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2025		
	Sub-ordinated Sukuks	Lease liability against right-of-use assets	Dividend Payable
	Rupees in '000		
Balance as at January 01, 2025	20,990,000	26,286,276	41,374
Changes from financing cash flows			
Payment against lease liability against right-of-use assets	-	(5,169,777)	-
Redemption of Tier II Sukuk	(4,000,000)	-	-
Dividend paid to equity shareholders of the Holding Company	-	-	(50,331,189)
Dividend paid to Non-Controlling Interest	-	-	(857,500)
Total changes from financing cash flows	(4,000,000)	(5,169,777)	(51,188,689)
Other changes			
Addition to lease liability against right-of-use assets	-	3,539,084	-
Amortisation of lease liability against right-of-use assets	-	4,233,547	-
Adjustment upon reassessment of useful life	-	-	-
Cash dividend - equity shareholders of the Holding Company	-	-	50,334,136
Cash dividend - Non-Controlling Interest	-	-	857,500
	-	7,772,631	51,191,636
Balance as at December 31, 2025	16,990,000	28,889,130	44,321

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

	2024		
	Sub-ordinated Sukuks	Lease liability against right-of-use assets	Dividend Payable
	Rupees in '000		
Balance as at January 01, 2024	20,990,000	22,412,164	864,946
Changes from financing cash flows			
Payment against lease liability against right-of-use assets	-	(4,466,134)	-
Dividend paid to equity shareholders of the Holding Company	-	-	(52,818,741)
Dividend paid to Non-Controlling Interest	-	-	(661,150)
Total changes from financing cash flows	-	(4,466,134)	(53,479,891)
Other changes			
Addition to lease liability against right-of-use assets	-	4,475,718	-
Amortisation of lease liability against right-of-use assets	-	3,869,085	-
Adjustment upon reassessment of useful life	-	(4,557)	-
Cash dividend - equity shareholders of the Holding Company	-	-	51,995,169
Cash dividend - Non-Controlling Interest	-	-	661,150
	-	8,340,246	52,656,319
Balance as at December 31, 2024	20,990,000	26,286,276	41,374

39.2 Additional information on operational cash flows from profit / return

	2025	2024
	Rupees in '000	
Profit / return received on financings, investments and placements	433,017,401	512,171,961
Profit / return paid on deposits and other dues	168,685,551	210,896,912
	264,331,850	301,275,049

40 STAFF STRENGTH

Note

	2025	2024
	(Number of Staff)	
Permanent	16,740	15,399
On Group's contract	1,893	1,439
Group's own staff strength at the end of the year	18,633	16,838
Outsourced	2,680	2,556
Total staff strength	21,313	19,394

40.1 This excludes outsourced security guards and janitorial staff.

41 DEFINED BENEFIT PLAN

41.1 Gratuity Funded Scheme - Holding Company

The activities of the Gratuity Funded Scheme are governed by Meezan Bank Limited Staff Gratuity Fund established in 2000 under the provisions of a Trust Deed. Plan assets held in trust are governed by the Trust Deed as is the nature of the relationship between the Holding Company and the trustees and their composition. Responsibility for governance of the plan including the investment decisions lies with the Trustees. The Board of Trustees comprise of representatives of the Holding Company and scheme participants in accordance with the Fund's Trust Deed.

41.2 Number of Employees under the Gratuity Funded Scheme	Note	2025	2024
		(Number)	
Number of employees eligible under the Gratuity Funded Scheme		13,688	12,457
41.3 Reconciliation of amount payable to defined benefit plan		2025	2024
		Rupees in '000	
Present value of defined benefit obligations	41.5	8,450,282	6,720,526
Fair value of plan assets	41.5	(7,051,554)	(5,375,703)
		1,398,728	1,344,823

Notes to and Forming Part of the Consolidated Financial Statements

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41.4 Components of plan assets

	Entity / Instrument Credit Rating	2025		2024	
		(Rupees in '000)	%	(Rupees in '000)	%
GoP Ijarah sukuks	Govt. Guaranteed	6,172,000	87.53	4,997,000	92.97
Mutual Funds managed by Al Meezan Investment Management Limited	AM1	782,186	11.09	249,118	4.63
Bank Islami Pakistan Limited - Additional Tier 1 sukuks	A-	5,000	0.07	5,000	0.09
Savings account with Dubai Islamic Bank Limited **	AA	161	-	161	-
Savings account with Meezan Bank Limited	AAA	92,207	1.31	124,424	2.31
		<u>7,051,554</u>	<u>100</u>	<u>5,375,703</u>	<u>100</u>

** Nil due to rounding off

41.5 The movement in the defined benefit obligation over the year is as follows:

	2025		
	Present Value of defined benefit obligation	Fair value of plan assets	Total
	Rupees in '000		
At January 1, 2025	6,720,526	(5,375,703)	1,344,823
Current service cost	1,147,575	-	1,147,575
Return expense / (income)	795,750	(712,391)	83,359
	<u>8,663,851</u>	<u>(6,088,094)</u>	<u>2,575,757</u>
Remeasurements:			
- Return on plan assets, excluding amounts included in return expense / (income) shown as above	-	(83,993)	(83,993)
- Experience gains	251,787	-	251,787
	<u>251,787</u>	<u>(83,993)</u>	<u>167,794</u>
	8,915,638	(6,172,087)	2,743,551
Contribution	-	(1,344,823)	(1,344,823)
Benefit payments	(465,356)	465,356	-
	<u>(465,356)</u>	<u>465,356</u>	<u>-</u>
At December 31, 2025	<u>8,450,282</u>	<u>(7,051,554)</u>	<u>1,398,728</u>

	2024		
	Present Value of defined benefit obligation	Fair value of plan assets	Total
	Rupees in '000		
At January 1, 2024	4,817,560	(3,930,931)	886,629
Current service cost	846,978	-	846,978
Return expense / (income)	684,766	(621,823)	62,943
	<u>6,349,304</u>	<u>(4,552,754)</u>	<u>1,796,550</u>
Remeasurements:			
-Return on plan assets, excluding amounts included in return expense / (income) shown as above	-	(253,306)	(253,306)
-Experience gains	688,208	-	688,208
	<u>688,208</u>	<u>(253,306)</u>	<u>434,902</u>
	7,037,512	(4,806,060)	2,231,452
Contribution	-	(886,629)	(886,629)
Benefit payments	(316,986)	316,986	-
	<u>(316,986)</u>	<u>316,986</u>	<u>-</u>
At December 31, 2024	<u>6,720,526</u>	<u>(5,375,703)</u>	<u>1,344,823</u>

Notes to and Forming Part of the Consolidated Financial Statements

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41.6 Charge for defined benefit plan (in respect of the Gratuity Funded Scheme)

	2025	2024
	Rupees in '000	
41.6.1 Cost recognized in consolidated statement of profit and loss account		
Current service cost	1,147,575	846,978
Net return cost	83,359	62,943
	<u>1,230,934</u>	<u>909,921</u>
41.6.2 Re-measurements recognised in OCI during the year		
Gain on obligation - Experience adjustment	251,787	688,208
Return on plan assets over expected return	(83,993)	(253,306)
Total re-measurements recognised in OCI	<u>167,794</u>	<u>434,902</u>

Total expense recognised in the consolidated statement of profit and loss account amounted to Rs. 1,703.60 million (2024: Rs. 1,036.00 million) of which Rs. 1,286.40 million (2024: Rs. 909.92 million) pertains to approved Gratuity Funded Scheme and Rs. 417.20 million (2024: Rs. 126.08 million) pertains to End of Service Unfunded Defined Benefit Scheme. Total expense recognised in Other Comprehensive Income amounted to Rs. 192.90 million (2024: Rs. 453.78 million) of which expense of Rs. 192.90 million (2024: charge of Rs. 434.90 million) pertains to Gratuity Funded Scheme and Nil charge (2024: charge of Rs. 18.88 million) pertains to End of Service Unfunded Defined Benefit Scheme.

41.7 The plan assets and defined benefit obligations (in respect of the Gratuity Funded Scheme) are based in Pakistan.

41.8 Principal actuarial assumptions	2025	2024
Discount rate	11.50% p.a	12.25% p.a
Expected rate of increase in salaries	13.00% p.a	13.25% p.a
Expected rate of return on investments	11.50% p.a	12.25% p.a
Normal retirement age	60 years	60 years

41.9 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.

41.10 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation - Increase / (Decrease)			
		December 31, 2025		December 31, 2024	
Change in assumption		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Rupees in '000					
Discount rate	1.00%	(924,837)	1,099,023	(595,794)	693,568
Salary growth rate	1.00%	1,118,596	(957,415)	712,070	(622,049)
Withdrawal rate	10.00%	(26,906)	27,733	(22,529)	23,911

The above sensitivity analyses 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 as when calculating the gratuity liability recognised within the consolidated Statement of Financial Position.

41.11 The weighted average duration of the defined benefit obligation is 12.01 years.

41.12 Expected maturity analysis of undiscounted defined benefit obligation for the Gratuity Funded Scheme is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Rupees in '000					
At December 31, 2025	<u>322,173</u>	<u>420,383</u>	<u>1,413,353</u>	<u>51,699,269</u>	<u>53,855,178</u>
At December 31, 2024	<u>490,434</u>	<u>424,281</u>	<u>1,651,132</u>	<u>32,866,341</u>	<u>35,432,188</u>

Notes to and Forming Part of the Consolidated Financial Statements

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41.13 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Contribution for the next year works out to Rs. 2,036.8 million as per the actuarial valuation report of the Holding Company as of December 31, 2025.

41.14 Through its Gratuity Funded Scheme, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate sukuk yields; if plan assets underperform to the yield, this will create a deficit. The Fund believes that due to long-term nature of the plan liabilities and the Holding Company's support, the current investment strategy manages this risk adequately.
Changes in sukuk yields	A decrease in corporate sukuk yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' sukuk holdings.
Inflation risk	The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. However plan assets are variable rate instruments and are re-priced at regular intervals to off set inflationary impacts.
Life expectancy / Withdrawal rate	The majority of the plans' obligations are to provide benefits on severance with the Holding Company on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

41.15 Gratuity Funded Scheme - Subsidiary Company (AMIML)

The Subsidiary Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees who have completed the minimum qualifying period of service as defined under the scheme. Actuarial valuation of the scheme is carried out every year.

Total expense recognised in consolidated statement of profit and loss account and other comprehensive income amounted to Rs. 55.48 million (2024: Rs. 45.88 million) and Rs. 15.30 million (2024: Rs. 14.48 million) respectively pertains to approved Gratuity Funded Scheme.

The present value of defined benefit obligation recognised in statement of financial position amounted to Rs. 103.67 million (2024: Rs. 126.13 million).

41.16 End of Service Unfunded Defined Benefit Scheme - Holding Company

The Holding Company was also operating an End of Service Unfunded Defined Benefit Scheme for the founding President and Ex-Chief Executive Officer. The scheme was introduced in 2015 and the benefits under the scheme was linked to last drawn compensation and years of service with the Holding Company. The scheme matured during the year upon his retirement. Final liability of Rs. 1,225.685 million has been presented under "other liabilities" which was paid subsequent to the year end.

The net charge for the year of this benefit amounted to Rs. 417.16 million (2024: Rs. 144.98 million). The charge of Rs. 417.16 million (2024: Rs. 126.08 million) has been recognised in the consolidated statement of profit and loss account and Nil charge (2024: Rs. 18.88 million) has been recognised in consolidated statement of comprehensive income. The opening present value of defined benefit obligation recognised in respect of this scheme amounted to Rs. 808.53 million.

41.17 The disclosures made in notes 41.1 to 41.13 are based on the information included in the actuarial valuation reports of the Holding Company as at December 31, 2025.

42 DEFINED CONTRIBUTION PLAN

The Group also operates a recognised contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Group and the employees, to the fund at a rate of 10% of basic salary.

	2025	2024
	Rupees in '000	
Contribution from the Group	1,083,557	899,028
Contribution from the employees	1,083,557	899,028
	<u>2,167,114</u>	<u>1,798,056</u>

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43 EMPLOYEES STOCK OPTION SCHEME OF HOLDING COMPANY

During the years 2021-2025, the Holding Company's Board Human Resources, Remuneration and Compensation Committee (the Committee) has granted Share Options to the designated employees under the Meezan Bank Employees Share Option Scheme, 2021 (the Scheme) approved by the shareholders and Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SMD/Co.86(1)/3/2001/4 dated April 21, 2021.

Under the scheme, the exercise price has been determined as 70% of the average market closing price of the Holding Company's shares quoted on the Pakistan Stock Exchange during the last forty trading days prior to the date of grant. There are no performance measures attached to options granted. The options carry neither right to dividends nor voting rights till shares are issued to employees on exercise of options on completion of the vesting period. The shares will be vested over a period of 4 years from the respective grant date, with one-third being vested after two years from the date of grant, one-third after three years and the remaining one-third after four years.

The value of these equity-settled options have been determined using the Black Scholes Merton (BSM) method using an independent valuer. The key details of the share options are as under:

	Vesting Period	Exercise Date	Options granted	Options outstanding	Exercise Price (Rs)	Fair value per option (Rs)	Risk Free Rate	Standard Deviation
Share options issued in 2025	2 years	1-May-26	1,812,533	1,766,000	176.62	351	12.50%	29.35%
	3 years	1-May-27	1,812,533	1,766,000	176.62	397		
	4 years	1-May-28	1,812,533	1,766,000	176.62	451		
			<u>5,437,599</u>	<u>5,298,000</u>				
Share options issued in 2024	2 years	1-May-26	2,936,667	2,544,129	144.99	112	15.00%	28.56%
	3 years	1-May-27	2,936,667	2,544,129	144.99	129		
	4 years	1-May-28	2,936,667	2,544,129	144.99	145		
			<u>8,810,001</u>	<u>7,632,387</u>				
Share options issued in 2023	2 years	1-May-25	3,164,300	-	67.78	52	15.75%	28.16%
	3 years	1-May-26	3,164,300	2,447,991	67.78	61		
	4 years	1-May-27	3,164,300	2,447,991	67.78	69		
			<u>9,492,900</u>	<u>4,895,982</u>				
Share options issued in 2022	2 years	1-May-24	2,508,648	-	85.76	44	13.50%	30.08%
	3 years	1-May-25	2,508,648	-	85.76	55		
	4 years	1-May-26	2,508,648	2,006,047	85.76	64		
			<u>7,525,944</u>	<u>2,006,047</u>				

Expense arising from this scheme is disclosed in note 34.1

44 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL - HOLDING COMPANY

	2025						
	Chairman	Directors Executives (other than CEO)	Non-Executives	Members Shariah Board	President / CEO*	Key Management Personnel	Other Material Risk Takers/ Controllers
	Rupees in '000						
Fees and allowances	10,990	-	47,950	4,000	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	35,036	73,312	368,067	520,329
ii) Cash Bonus	-	-	-	11,600	1,000,000	683,505	730,930
iii) Share based compensation expense	-	-	-	-	2,864	58,603	100,853
Charge for gratuity fund / EOSB (note 41.16)	-	-	-	-	417,157	25,817	34,866
Contribution to defined contribution plan	-	-	-	-	-	31,315	42,631
Rent & house maintenance	-	-	-	15,044	34,630	157,467	197,249
Utilities	-	-	-	3,344	7,045	34,153	43,833
Medical	-	-	-	3,344	8,848	35,282	43,833
Conveyance	-	-	-	5,573	11,744	56,933	73,066
Leave Encashment	-	-	-	-	64,560	-	-
Others	-	-	-	-	124	-	-
	<u>10,990</u>	<u>-</u>	<u>47,950</u>	<u>77,941</u>	<u>1,620,284</u>	<u>1,451,142</u>	<u>1,787,590</u>
Number of persons	<u>1</u>	<u>-</u>	<u>9</u>	<u>5</u>	<u>1</u>	<u>21</u>	<u>72</u>

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* During the year, Mr. Irfan Siddiqui retired on December 29, 2025 and Dr. Syed Amir Ali retired from the position of Deputy Chief Executive Officer and was appointed as the President & Chief Executive Officer effective December 30, 2025, succeeding the founding President.

	2024						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
	Rupees in '000						
Fees and allowances	10,680	-	54,750	3,600	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	29,887	114,397	383,911	405,174
ii) Cash Bonus	-	-	-	10,600	286,000	639,670	650,000
iii) Share based compensation expense	-	-	-	-	6,246	57,363	84,724
Charge for gratuity fund / EOSB (note 41.16)	-	-	-	-	-	23,220	27,244
Contribution to defined contribution plan	-	-	-	-	-	28,918	33,846
Rent & house maintenance	-	-	-	12,366	-	141,444	152,580
Utilities	-	-	-	2,748	-	30,507	33,907
Medical	-	-	-	2,747	-	31,345	33,907
Conveyance	-	-	-	4,580	-	50,852	56,519
Others	-	-	-	-	3,706	78	-
	<u>10,680</u>	<u>-</u>	<u>54,750</u>	<u>66,528</u>	<u>410,349</u>	<u>1,387,308</u>	<u>1,477,901</u>
Number of persons	<u>1</u>	<u>-</u>	<u>9</u>	<u>5</u>	<u>1</u>	<u>21</u>	<u>66</u>

44.1 The Chief Executive, the key management personnel, certain members of Shariah board and certain material risk takers / controllers have been provided with free use of the Holding Company's cars.

44.2 The amount of cash bonus to the key management personnel, Resident Shariah Board Member and other material risk takers / controllers, is based on the management's best estimate.

44.3 Remuneration to Directors for participation in Board and Committee Meetings - Holding Company

		2025						
Sr. No.	Name of Director	Meeting Fees and Allowances						
		For Board Committees						Total Amount
		For Board Meetings	Board Audit Committee	Risk Management Committee	Information Technology Committee	Human Resources, Remuneration & Compensation Committee	IFRS 9 Implementation Oversight Committee	
Rupees in '000								
1	Mr. Riyadh S.A.A. Edrees (Chairman)	3,840	-	-	1,950	2,600	2,600	10,990
2	Mr. Bader H.A.M.A. Al-Rabiah	2,000	-	1,950	650	-	-	4,600
3	Mr. Saad Ur Rahman Khan	3,200	2,600	2,600	2,600	-	-	11,000
4	Mr. Faisal Fahad Al-Muzaini	1,200	-	-	-	-	1,950	3,150
5	Mr. Tariq Mahmood Pasha	3,200	2,600	-	-	-	-	5,800
6	Mr..Zine Elabidine Bachiri	1,200	-	1,300	-	-	-	2,500
7	Mr. Mohammad Abdul Aleem	3,200	2,600	-	-	2,600	-	8,400
8	Ms. Nausheen Ahmad	2,800	-	-	-	2,600	-	5,400
9	Mr. Abdulrazzaq T.A.M. Razooqi	3,200	1,950	1,950	-	-	-	7,100
10	Mr. Irfan Siddiqui*	-	-	-	-	-	-	-
		23,840	9,750	7,800	5,200	7,800	4,550	58,940

* Mr Irfan Siddiqui retired from the position of President & CEO with effect from 29th December 2025.

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		2024						
Sr. No.	Name of Director	Meeting Fees and Allowances						
		For Board Committees						Total Amount
		For Board Meetings	Board Audit Committee	Risk Management Committee	Information Technology Committee	Human Resources, Remuneration & Compensation Committee	IFRS 9 Implementation Oversight Committee	
Rupees in '000								
1	Mr. Riyadh S.A.A. Edrees (Chairman)	2,880	-	-	2,600	2,600	2,600	10,680
2	Mr. Faisal A.A.A. Al-Nassar (Vice Chairman)**	2,400	2,600	2,600	2,600	-	-	10,200
3	Mr. Bader H.A.M.A. Al-Rabiah	1,600	-	1,950	-	-	-	3,550
4	Mr. Saad Ur Rahman Khan	3,200	2,600	2,600	2,600	-	-	11,000
5	Mr. Faisal Fahad Al-Muzaini	800	-	-	-	-	2,600	3,400
6	Mr. Tariq Mahmood Pasha	3,200	-	-	-	-	-	3,200
7	Mr. Mohamed Guermazi**	3,200	2,600	-	-	-	-	5,800
8	Mr. Mohammad Abdul Aleem	3,200	2,600	-	-	2,600	-	8,400
9	Ms. Nausheen Ahmad	3,200	-	-	-	2,600	-	5,800
10	Mr. Yousef S.M.A. Al-Saad**	800	-	2,600	-	-	-	3,400
11	Mr..Zine Elabidine Bachiri*	-	-	-	-	-	-	-
12	Mr. Abdulrazzaq T.A.M. Razooqi*	-	-	-	-	-	-	-
		24,480	10,400	9,750	7,800	7,800	5,200	65,430

* They were elected on the Board with effect from November 18, 2024.

** They retired from the Board with effect from November 18, 2024.

44.4 Remuneration to Shariah Board Members - Holding Company

	2025			2024		
	Chairman	Resident Member	Non Resident Members	Chairman	Resident Member	Non Resident Members
Rupees in '000						
Meeting fees	-	-	4,000	-	-	3,600
Managerial remuneration and allowances	-	12,000	50,341	-	9,601	42,727
Cash Bonus	-	11,600	-	-	10,600	-
	-	23,600	54,341	-	20,201	46,327
Total number of persons	1	1	3	1	1	3

45 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted debt securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term financings, other assets, other liabilities, fixed term deposits and due to financial institutions cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

45.1 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).

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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 as at December 31, 2025 and December 31, 2024 by the level in the fair value hierarchy into which the fair value measurement is categorised.

		2025			
	Carrying value	Fair value			
		Level 1	Level 2	Level 3*	Total
		Rupees in '000			
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	2,101,211,896	1,148,274,703	952,937,193	-	2,101,211,896
- Shares / Units of open-ended mutual funds	17,277,372	16,800,261	95,977	381,134	17,277,372
- Non Government sukuks	11,351,887	-	11,351,887	-	11,351,887
- Foreign securities	10,880,547	-	10,870,158	10,389	10,880,547
	2,140,721,702	1,165,074,964	975,255,215	391,523	2,140,721,702
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	454,704,626	-	64,765,913	390,295,665	455,061,578
	454,704,626	-	64,765,913	390,295,665	455,061,578
	2,595,426,328	1,165,074,964	1,040,021,128	390,687,188	2,595,783,280
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	2,518,214	-	2,518,214	-	2,518,214
Forward sale of foreign exchange	1,731,205	-	1,731,205	-	1,731,205

	Carrying value	2024			
		Fair value			
		Level 1	Level 2	Level 3*	Total
		Rupees in '000			
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,359,467,076	555,352,527	804,114,549	-	1,359,467,076
- Shares / Units of open-ended mutual funds	11,197,572	10,513,112	66,633	617,827	11,197,572
- Non Government Sukuks	131,254,670	118,045,677	13,208,993	-	131,254,670
- Foreign securities	3,968,059	-	3,957,670	10,389	3,968,059
	1,505,887,377	683,911,316	821,347,845	628,216	1,505,887,377
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	362,725,910	-	343,031,635	21,053,574	364,085,209
	362,725,910	-	343,031,635	21,053,574	364,085,209
	1,868,613,287	683,911,316	1,164,379,480	21,681,790	1,869,972,586
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	1,661,801	-	1,661,801	-	1,661,801
Forward sale of foreign exchange	2,347,221	-	2,347,221	-	2,347,221

* The fair value amount is not determined to be significantly different from the carrying value.

45.2 Fair Value of non-financial assets

Fair Value of non-financial assets		2025			
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Rupees in '000					
Non-banking assets acquired in satisfaction of claims	503,420	-	-	503,420	503,420
	503,420	-	-	503,420	503,420

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	2024			
	Carrying value	Fair value		
		Level 1	Level 2	Level 3
		Rupees in '000		
Total				
Non-banking assets acquired in satisfaction of claims	498,450	-	-	498,450
	498,450	-	-	498,450

Non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Listed Securities	The valuation has been determined through closing rates of Pakistan Stock Exchange.
GoP Ijarah Sukuks	The fair value of GoP Ijarah sukuku listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange. The fair value of other GoP Ijarah sukuku are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.
Foreign Sukuks	These are measured at fair value using the rates published by the valuation expert portal (Bloomberg).
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by SBP.
Non-banking assets acquired in satisfaction of claims	NBAs are valued by professionally qualified valuers as per the accounting policy disclosed in the consolidated financial statements of the Group for the year ended December 31, 2025.
Assets of open ended mutual funds	The valuation has been determined based on net asset values (NAV) declared by respective funds.
Unquoted Equity Securities	Fair value of investment in Sapphire Electric Company Limited has been determined by Dividend Discount Model (DDM) by using constant dividends streams of the entity by using various key assumptions considering economic and market conditions. Key assumptions include discount rate and terminal growth rate (if applicable).
Corporate sukuku	The valuation has been determined through closing rates announced by FMA (Financial Market Association) through Reuters.

The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

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

The valuation of non-banking assets acquired in satisfaction of claims, mentioned above, is conducted by the valuation expert appointed by the Holding Company which is also on the panel of the Pakistan Banks' Association (PBA). The valuation expert uses a market based approach to arrive at the fair value of the Holding Company's non-banking asset acquired in satisfaction of claims. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. This value is adjusted to reflect the current condition of the property. The effect of changes in the unobservable inputs used in the valuation cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these consolidated financial statements.

The reconciliation from the opening balance to the closing balance of the non-banking assets acquired in satisfaction of claims has been disclosed in note 15.2.1. The change in the market value has been accounted for in the consolidated statement of profit and loss account.

The sensitivity analysis of the fair value measurement of unquoted equity securities due to changes in observable inputs has not been disclosed as the amount is not material and significant.

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46 SEGMENT INFORMATION

46.1 Segment details with respect to Business Activities

	2025					
	Corporate and Commercial banking	Retail banking	Trading and sales	Asset management	Others	Inter-segment Eliminations
	Rupees in '000					
Consolidated statement of profit and loss account						
External funded revenue	137,588,954	12,933,788	269,958,571	-	-	-
External non funded revenue	7,903,281	6,273,492	8,496,154	7,709,192	11,198,040	-
Inter segment revenue - net	-	327,555,777	-	-	617,643	(328,173,420)
Total Income	145,492,235	346,763,057	278,454,725	7,709,192	11,815,683	(328,173,420)
External cost of funds	6,774,167	114,276,472	46,976,163	-	-	-
Segment direct expenses	2,420,886	71,363,972	4,568,379	3,682,860	7,814,104	-
Inter segment expense allocation	111,871,540	-	216,301,880	-	-	(328,173,420)
Total expenses	121,066,593	185,640,444	267,846,422	3,682,860	7,814,104	(328,173,420)
Credit loss allowance / provisions and write offs - net	3,644,634	142,025	7,109	-	91,963	-
Profit before tax	20,781,008	160,980,588	10,601,194	4,026,332	3,909,616	-
Consolidated statement of financial position						
Cash and bank balances	3,519,303	329,029,766	-	-	13,700,276	-
Due from financial institutions	-	-	12,325,225	-	-	-
Investments	10,998,843	-	2,585,998,086	11,337,275	-	-
Net inter segment lending	-	3,011,888,516	-	-	51,450,512	(3,063,339,028)
Islamic financings and related assets	1,513,471,064	127,463,734	-	-	-	-
Others	44,107,572	96,612,235	64,704,034	1,615,570	5,052,471	-
Total assets	1,572,096,782	3,564,994,251	2,663,027,345	12,952,845	70,203,259	(3,063,339,028)
Due to financial institutions	83,419,224	13,462,601	790,166,402	-	-	-
Deposits and other accounts	-	3,302,337,407	-	-	-	-
Subordinated sukus	16,990,000	-	-	-	-	-
Net inter segment borrowing	1,341,737,998	661,391	1,711,952,697	8,986,942	-	(3,063,339,028)
Others	35,949,287	215,461,039	1,678,037	3,191,414	69,081,978	-
Total liabilities	1,478,096,509	3,531,922,438	2,503,797,136	12,178,356	69,081,978	(3,063,339,028)
Equity	94,000,273	33,071,813	159,230,209	774,489	1,121,281	-
Total equity and liabilities	1,572,096,782	3,564,994,251	2,663,027,345	12,952,845	70,203,259	(3,063,339,028)
Contingencies and commitments	1,450,970,651	4,499,030	380,719,312	-	-	-

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	2024						
	Corporate and Commercial banking	Retail banking	Trading and sales	Asset management	Others	Inter-segment Eliminations	Total
	Rupees in '000						
Consolidated statement of profit and loss account							
External funded revenue	180,431,534	9,026,199	304,852,624	-	-	-	494,310,357
External non funded revenue	6,128,261	5,428,358	4,992,917	7,969,925	10,786,231	-	35,305,692
Inter segment revenue - net	-	442,957,809	-	-	80,440	(443,038,249)	-
Total Income	186,559,795	457,412,366	309,845,541	7,969,925	10,866,671	(443,038,249)	529,616,049
External cost of funds	14,557,941	149,691,564	43,017,720	-	-	-	207,267,225
Segment direct expenses	2,416,965	75,522,900	1,010,346	2,126,172	5,770,782	-	86,847,165
Inter segment expense allocation	156,526,309	-	286,511,940	-	-	(443,038,249)	-
Total expenses	173,501,215	225,214,464	330,540,006	2,126,172	5,770,782	(443,038,249)	294,114,390
Credit loss allowance / provisions and write offs - net	8,936,298	114,423	8,520	-	163,164	-	9,222,405
	4,122,282	232,083,479	(20,702,985)	5,843,753	4,932,725	-	226,279,254
Consolidated statement of financial position							
Cash and bank balances	2,701,418	259,368,426	135,138	810,845	11,148,266	-	274,164,093
Due from financial institutions	-	-	34,964,299	-	-	-	34,964,299
Investments	13,208,564	-	1,857,327,056	8,317,221	-	-	1,878,852,841
Net inter segment lending	-	2,444,891,899	-	-	17,791,323	(2,462,683,222)	-
Islamic financings and related assets	1,428,194,014	86,561,922	-	-	-	-	1,514,755,936
Others	51,600,199	92,207,162	61,919,007	1,727,341	1,997,723	-	209,451,432
Total assets	1,495,704,195	2,883,029,409	1,954,345,500	10,855,407	30,937,312	(2,462,683,222)	3,912,188,601
Due to financial institutions	109,871,661	13,102,601	599,312,056	-	-	-	722,286,318
Deposits and other accounts	-	2,584,583,671	-	-	-	-	2,584,583,671
Sub-ordinated sukuks	20,990,000	-	-	-	-	-	20,990,000
Net inter segment borrowing	1,231,599,359	-	1,224,746,904	6,336,959	-	(2,462,683,222)	-
Others	36,268,764	256,943,965	3,586,215	3,814,384	30,085,064	-	330,698,392
Total liabilities	1,398,729,784	2,854,630,237	1,827,645,175	10,151,343	30,085,064	(2,462,683,222)	3,658,558,381
Equity	96,974,411	28,399,172	126,700,325	704,064	852,248	-	253,630,220
Total equity and liabilities	1,495,704,195	2,883,029,409	1,954,345,500	10,855,407	30,937,312	(2,462,683,222)	3,912,188,601
Contingencies and commitments	1,522,044,707	87,751,572	280,886,420	-	-	-	1,890,682,699

47 TRUST ACTIVITIES

The Holding Company 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 Holding Company and, therefore, are not included in the consolidated statement of financial position. The following is the list of assets held under trust:

Category	Type	2025	2024	2025	2024
		IPS accounts		Face Value	
		Number		Rupees in '000	
Corporates	Government ijarah sukuks	5	9	37,465,000	229,115,000
Insurance companies / takaful companies	Government ijarah sukuks	3	4	864,300	1,246,800
Employees funds	Government ijarah sukuks	10	10	9,429,000	11,862,300
Charitable institutions / NGO	Government ijarah sukuks	4	3	547,200	906,200
Individuals	Government ijarah sukuks	48	51	2,327,100	2,321,800
		70	77	50,632,600	245,452,100

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48 RELATED PARTY TRANSACTIONS

48.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes a subsidiary companies, associated companies, retirement benefit funds, directors, and key management personnel and their close family members.

48.2 The Holding Company enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person 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 and other benefit to the key management personnel is determined in accordance with the terms of their appointment.

48.3 Associates

Associates include mutual funds managed by Al Meezan Investment Management Limited and entities having common directorship with the Board. However, entities are not considered related party only if common director is an independent director working on both the Boards.

48.4 Key management personnel

- President and Chief Executive Officers of the Holding Company
- Deputy Chief Executive Officer of the Holding Company

48.5 Details of transactions with related parties and balances with them (other than those disclosed in respective notes) as at the year-end as are follows:

	Total		Associates		Directors and close family members		Key Management Personnel and close family members		Other Related Parties	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees in '000									
Islamic financing and related assets										
At January 1,	82,900	33,002,164	-	32,914,968	-	-	82,900	87,196	-	-
Addition during the year	15,850	3,522,664	-	3,522,664	-	-	15,850	-	-	-
Repayment during the year	(5,090)	(36,441,928)	-	(36,437,632)	-	-	(5,090)	(4,296)	-	-
At December 31,	93,660	82,900	-	-	-	-	93,660	82,900	-	-
Investments										
At January 1,	10,073,493	6,855,718	10,073,493	6,855,718	-	-	-	-	-	-
Investments made during the year	7,569,746	5,529,369	7,569,746	5,529,369	-	-	-	-	-	-
Repayment / redemption during the year	(4,741,863)	(2,311,594)	(4,741,863)	(2,311,594)	-	-	-	-	-	-
At December 31,	12,901,376	10,073,493	12,901,376	10,073,493	-	-	-	-	-	-
Deposits	8,758,360	8,189,875	7,660,890	6,758,697	319,072	251,088	39,694	75,745	738,704	1,104,345

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	Total		Associates		Directors and close family members		Key Management Personnel and close family members		Other Related Parties	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Other Assets										
Profit receivable on financing / investments / placements	44	44	-	-	-	-	44	44	-	-
Fee and other receivable	336,579	1,052,743	336,579	1,052,743	-	-	-	-	-	-
Credit loss allowance / provision held against other assets	13	13	8	8	-	-	5	5	-	-
Due to financial institutions										
At January 1,	47,130,000	-	47,130,000	-	-	-	-	-	-	-
Addition during the year	457,553,200	643,630,000	457,553,200	643,630,000	-	-	-	-	-	-
Paid during the year	(418,723,200)	(596,500,000)	(418,723,200)	(596,500,000)	-	-	-	-	-	-
At December 31,	85,960,000	47,130,000	85,960,000	47,130,000	-	-	-	-	-	-
Sub-ordinated Sukuk										
At January 1,	210,000	210,000	210,000	210,000	-	-	-	-	-	-
Issued / purchased during the year	-	-	-	-	-	-	-	-	-	-
Redemption / sold during the year	-	-	-	-	-	-	-	-	-	-
At December 31,	210,000	210,000	210,000	210,000	-	-	-	-	-	-
Other Liabilities										
Profit payable on musharakah acceptance	1,049,943	256,364	1,049,943	256,364	-	-	-	-	-	-
Payable to defined benefit plan	2,624,413	2,279,476	-	-	-	-	1,225,685	808,528	1,398,728	1,470,948
Accrued expenses	12,959	2,350	-	-	2,100	2,350	10,859	-	-	-
Unearned income	9,539	-	9,539	-	-	-	-	-	-	-
Contingencies and Commitments										
Letters of credit (unfunded)	-	-	-	-	-	-	-	-	-	-
Letters of guarantee (unfunded)	2,500,000	-	2,500,000	-	-	-	-	-	-	-
Income										
Profit earned on financing / investments / placements	4,821	2,361,062	-	2,357,134	-	-	4,821	3,928	-	-
Fees and commission income earned	8,053,637	5,728,458	8,053,346	5,728,117	33	32	151	217	107	92
Net gain on sale of securities	22	6,551	22	6,551	-	-	-	-	-	-
Dividend income	60,928	335,862	60,928	335,862	-	-	-	-	-	-
Expenses										
Return on deposits / acceptance expensed	4,022,311	2,458,626	3,836,951	2,334,188	3,707	5,074	8,759	12,119	172,894	107,245
Recovery of expenses	-	-	-	-	-	-	-	-	-	-
Charge for defined benefit plan	1,398,728	1,390,705	-	-	-	-	-	-	1,398,728	1,390,705
Contribution to defined contribution plan	1,032,106	899,028	-	-	-	-	-	-	1,032,106	899,028
Contribution to staff benevolent fund	143,306	114,294	-	-	-	-	-	-	143,306	114,294
Fees expensed	1,937	1,809	1,937	1,809	-	-	-	-	-	-
ECL - net	3	3,575	(4)	3,564	-	-	7	11	-	-
Charity paid	110,000	92,500	-	4,000	-	-	-	-	110,000	88,500
Purchase of fixed assets	-	32,845	-	32,845	-	-	-	-	-	-
Remuneration to key management personnel	1,908,893	898,861	-	-	-	-	1,908,893	898,861	-	-
Fee to non-executive directors (note 44)	58,940	65,430	-	-	58,940	65,430	-	-	-	-
Proceed from the issuance of shares under employees shares option scheme	8,491	9,431	-	-	-	-	8,491	9,431	-	-
Proceeds from sale of property and equipment	-	7,261	-	-	-	-	-	7,261	-	-

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49 CAPITAL ASSESSMENT AND ADEQUACY BASEL SPECIFIC

Capital structure

The State Bank of Pakistan (SBP) introduced updated guidelines with respect to disclosure of capital adequacy related information in the financial statements of banks vide its communication dated November 5, 2014. These guidelines are based on the requirements of Basel III which were introduced earlier by the SBP in August 2013 for implementation by banks in Pakistan. The SBP had specified a transitional period for implementing new standards which came to its end on December 31, 2019. The disclosures below have been prepared on the basis of these new guidelines. The comparative information is as per requirements.

49.1 Capital structure

Under Basel III framework, the Group's regulatory capital has been analysed into two tiers as follows:

- Tier 1 capital (going concern capital) which is sub divided into:
 - a) Common Equity Tier 1 (CET1), which includes fully paid up capital, balance in share premium account, statutory and general reserves, and un-appropriated profits (net of losses), after regulatory deductions for book value of intangibles, reciprocal cross holdings, investment in own shares.
 - b) Additional Tier 1 capital (AT1), which includes perpetual, unsecured, subordinated, non-cumulative and contingent convertible Sukuk instrument issued by the Holding Company.
- Tier II capital, which includes sub-ordinated sukuk, general provisions for financing losses (upto a maximum of 1.25% of credit risk weighted assets) and surplus on revaluation of assets - net of tax.

Group operations are categorised in either the trading book or the banking book and risk weighted assets are determined according to the specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

The required capital adequacy ratio is achieved by the Group through:

- (a) Adequate level of paid up capital;
- (b) Adequate risk profile of asset mix;
- (c) Ensuring better recovery management; and
- (d) Maintaining acceptable profit margins.

49.2 Capital adequacy ratio

The main objective of the capital management is to improve the financial position and strengthen the statement of financial position of the Group to support the growth in business, provide protection to depositors and enhance shareholders' value.

The Holding Company's Board and the management is committed to maintaining a sound balance between depositors' liability and shareholders' funds so that optimal capital / debt ratio is maintained. The optimal capital / debt ratio will provide reasonable assurance to depositor's about safety and security of their funds and at the same time provide impetus to the management to invest their depositors' funds into profitable ventures without compromising the risk profile of the Holding company. The capital requirement of the Group has been determined based on the projected growth plan to be achieved in the next 3 years in all areas of business operations.

The Holding Company prepares Annual Budget and Three Year Plan for purpose of the growth map and future direction. Bottom up approach is used to prepare annual budget and detailed deliberations are held while preparing Three Year Plan. The growth prospects takes into consideration prevailing economic and political factors in Pakistan and abroad.

In implementing current capital requirements the State Bank of Pakistan requires banks to maintain minimum Capital Adequacy Ratio (CAR) of 11.50% as of December 31, 2025 whereas CAR stood at 19.43% as of December 31, 2025.

The Group calculates risk weighted assets for credit risk, market risk and operational risk based upon requirements under Basel Accord as per guidelines issued by the State Bank of Pakistan from time to time.

Sensitivity and stress testing of the Group under different risk factors namely yield rate, forced sale value of collateral, non-performing financings and foreign exchange rate depicts that the Group's capital adequacy ratio is above the regulatory requirements.

The Group has taken into account credit risk, market risk and operational risk as important factors while when planning its assets.

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50 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2025	2024
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	18,005,546	17,947,407
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	267,896,278	226,804,706
Eligible Additional Tier 1 (ADT 1) Capital	7,130,275	7,097,451
Total Eligible Tier 1 Capital	275,026,553	233,902,157
Eligible Tier 2 Capital	36,879,752	47,285,724
Total Eligible Capital (Tier 1 + Tier 2)	311,906,305	281,187,881
Risk weighted assets (RWAs):		
Credit Risk	983,354,230	879,369,116
Market Risk	86,851,170	44,881,329
Operational Risk	535,148,557	442,859,431
Total	1,605,353,957	1,367,109,876
Common Equity Tier 1 Capital Adequacy ratio	16.69%	16.59%
Tier 1 Capital Adequacy Ratio	17.13%	17.11%
Total Capital Adequacy Ratio	19.43%	20.57%
Leverage ratio (LR):		
Eligible Tier-1 Capital	275,026,553	233,902,157
Total Exposures	5,164,503,507	4,194,571,526
Leverage Ratio	5.33%	5.58%

50.1 Full disclosure on Capital Adequacy, Leverage Ratio & Liquidity Requirements prepared as per SBP instructions is available at [http:// www.meezanbank.com](http://www.meezanbank.com)

51 RISK MANAGEMENT

Economic fundamentals improved and political uncertainty showed a decline during 2025. Stability in FX reserves, exchange rate and decline in policy rate were the major contributor to the overall improvement in economic situation. During the year, SBP decreased the benchmark interest rate by a cumulative 250 bps to 10.5%. This steep decrease was due to decline in headline inflation to 5.6% only in December 2025 resulting in ample cushion for SBP to focus on monetary easing. Stock market showed robust growth as benchmark index grew by 51% in 2025. However, fiscal policy remains a key challenge for the government to generate additional revenue. Sustainable fiscal measures along with external support from IMF and other sources will be the key determinant for the economy in the future.

The Holding Company is regularly conducting assessments of the credit portfolio, with robust post disbursement credit review mechanism to identify borrowers most likely to be affected in the challenging business and economic environment. The Holding Company is confident that it has more than sufficient risk bearing capacity to with stand these difficult times.

The wide variety of the Group's business activities require the Group to identify, assess, measure, aggregate and manage risks effectively which are constantly evolving as the business activities expand in response to the Group's strategy and growth. The Group manages the risk through a framework of risk management encompassing policies and procedures, organisational structures, risk measurement and monitoring processes and techniques that are closely aligned with business activities of the Group.

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Risk management principles

- The Board of Directors (the Board) provides overall risk management supervision. The Board Risk Management Committee regularly reviews the Group's risk profile.
- The Group has set up objectives and policies to manage the risks that arise in connection with the Group's activities. The risk management framework and policies of the Group are guided by specific objectives to ensure that comprehensive and adequate risk management tools and techniques are established to mitigate the salient risk elements in the operations of the Group.
- The establishment of the overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent risk management framework.
- The structure of risk management function is closely aligned with the organisational structure of the Group.
- The risk management function is independent of the Group's operations.

Risk management organisation

The Board Risk Management Committee comprises of four non-executive directors. One of the non-executive directors of the Holding company chairs the Risk Management Committee.

Specialized Committees comprising of Senior Management team members perform their functions in line with the strategic direction set by the Board while ensuring that there is optimal balance between risk reward trade-off. The Committees mainly include:

Name of the sub-committee

Credit Risk Management Committee (CRMC)

Asset and Liability Management Committee (ALCO)

Compliance and Operational Risk Management Committee (CORMC)

Chaired by

President & CEO of Holding Company

President & CEO of Holding Company

President & CEO of Holding Company

CRMC is responsible to oversee credit risk activities on Group wide basis while ensuring compliance with regulatory requirements and internal policies. Its responsibilities also include to provide support and guide front lines in managing their businesses, perform finance portfolio review, establish financing standards and benchmarks, maintain adequate industry diversification and decide upon provisioning. It is also required to delegate financing approving powers & prudential limits on large financing exposures. Credit Committee, is the highest level body for approval of financing transactions.

ALCO is responsible for reviewing the Asset and Liability structure of the Holding Company, monitoring the liquidity situation and overall changing market scenario. Market and Liquidity risks are examined based on stress testing exercises and gap analysis. ALCO is also responsible for monitoring policy rate movements and taking necessary steps across various products to ensure that the overall profitability of the Holding Company is maximized without compromising on risk appetite. ALCO also ensures that the Holding Company's overall operations are fully compliant with regulatory framework for the business as provided by the State Bank of Pakistan.

The CORMC is responsible for overseeing compliance risk by reviewing the adequacy of controls in place to meet regulatory requirements. The Committee is responsible for promoting compliance culture in the Holding Company, facilitate in implementation of Compliance Program and oversee Money Laundering, Financing of Terrorism and Proliferation financing risk. In addition, the Committee also oversees Operational Risk Framework by ensuring that policies and procedures are in place in all Key risk areas and by reviewing Key Risk Indicators. The Committee also monitors level of compliance of major unresolved and recurring issues pointed out in the Internal Audit, Shariah Audit and SBP assessment Report.

The Holding Company's compliance, internal audit and legal functions to name a few support the risk management function in performing its roles and responsibilities. The role of the risk management group is to assess, measure, identify risks and established risk mitigants through a detailed policy and monitoring framework. The compliance department ensures that all the directives and guidelines issued by the SBP are being complied with in order to mitigate the compliance risk. The internal audit and BRR department reviews the compliance of internal control procedures with internal and regulatory standards.

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51.1 Credit risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligations is impaired resulting in economic loss to the Group. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

Credit risk management and structure

The Group manages credit risk by effective credit appraisal mechanism, approving and reviewing authorities, limit structures, internal credit risk rating system, collateral management and post disbursement monitoring so as to ensure prudent financing activities and sound financing portfolio under the umbrella of a comprehensive Financing Policy approved by the Board of Directors. A comprehensive financing procedural manual approved by the senior management is also in place. The Group also ensures diversification of its portfolio into different business segments, products and sectors. Further, 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.

Watchlist procedure is also functioning which identifies financings with early warning indicators in respect of clients which may become non performing. The risk management function also monitors the non-performing financing portfolio of the Holding Company and reports all significant matters to the Board Risk Management Committee.

The Holding Company takes into account the risk mitigating effect of the eligible collaterals for the calculation of capital requirement for credit risk.

Thus, use of CRM resulted in capital adequacy ratio of the Holding Company of 19.43%.

51.1.1 Methodologies and models used for the measurement of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD)

51.1.1.1 IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1:	When financial instruments are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and they have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure at Default (EAD) and multiplied by the expected Loss Given Default (LGD) and discounted by an approximation to the original Effective Profit Rate (EPR). This calculation is made for all the scenarios.
Stage 2:	When a financial instrument has shown a Significant Increase in Credit Risk (SICR) since origination, the Group records an allowance for the LTECLs. Stage 2 also include facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but Probability of Default (PD) are applied over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EPR.
Stage 3:	For financial instruments considered credit-impaired, the Group recognises the lifetime expected credit losses for these instruments. The Group uses a PD of 100% and LGD as computed for each portfolio. This is then compared with allowance computed under SBP Prudential Regulations and higher of the two amounts is taken as the allowance for credit-impaired instrument.
Purchased or originated credit impaired (POCI):	POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit / rental is subsequently recognised based on approximation to a credit-adjusted effective profit rate. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.
Undrawn financing commitments	When estimating LTECLs for undrawn financings commitments, the Group estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the financings is drawn down, based on a probability-weighting of the three scenarios.

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Guarantee and letters of credit	The Group estimates ECLs based on the BASEL driven Credit Conversion Factor (CCF) for guarantee and letter of credit. The calculation is made using a probability-weighting of the three scenarios. The ECLs is recognised within other liabilities.

51.1.1.2 Forward looking information

In the ECL models, the Group relies on a range of forward looking information as economic inputs, such as:

- GDP growth
- Volume of exports of goods
- Consumer price index
- Unemployment rate

51.1.1.3 The calculation of ECLs

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI, undrawn financing commitments, guarantee and letter of credits is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), discounted at an approximation to the EPR, defined as follows:

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk (note 51.1.1.6.1);
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of portfolio and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EPR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

51.1.1.4 The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD	The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Group's internal risk ratings (i.e. from 1 to 12). PDs for non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
EAD	The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued profit from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier. The Group's product offering includes a variety of corporate and retail facilities, in which the Group has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

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LGD	The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. Group has estimated segment wise LGDs for Corporate/Commercial, SME & Agri Portfolio as well as product wise LGDs for House Finance, Car Ijarah, Bike Ijarah and Consumer ease. The LGDs are determined using workout approach, based on vintage recovery data for the defaulted portfolio; these recoveries are then discounted back to date of default, to factor in time value of money. The Group has converted the estimates for segment / product wise historical LGDs (Through the cycle LGDs) into forward looking point in time LGDs, through use of term structure of Point in time PDs.

51.1.1.5 ECL Principles, Grouping and Calculations

The ECL is determined by projecting the PD, LGD and EAD for each future repayment date and for each individual exposure. These three components are multiplied together, effectively calculating an ECL for each future repayment date, which is then discounted back to the reporting date and summed.

The discount rate used to discount the ECLs is based on the effective profit rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective profit rate (at reporting date), the Group uses an approximation e.g. contractual rate (at reporting date).

Effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When estimating the ECLs, the Group considers three scenarios (base case, best case, worst case). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted financing are expected to be recovered, including the probability that the financing will cure and the value of collateral or the amount that might be received for selling the asset.

The Group considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability; and
- History of enforceability and recovery.

The Group's management has only considered cash, liquid securities, gold, and Government of Pakistan guarantees as eligible collaterals in the LGD calculation. All of these collaterals have a 0% haircut other than equity securities where haircut of 15% is applied.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

The SBP has issued FAQs in its BPRD Circular Letter No. 16 dated July 29, 2024 with regard to certain interpretation of the SBP application instructions. In respect of Stage 3 provision, the SBP has clarified that the banks, while assessing the higher of IFRS 9 ECL and provision under the SBP Prudential Regulations, shall take into account the ECL against corporate / commercial / SME Islamic financing and related assets portfolios at the borrower / facility level, and for the retail borrowers at segment / product basis.

51.1.1.6 ECL Modelling and staging criteria / Significant increase in ECLs / Cooling off criteria and movement between stages

51.1.1.6.1 Significant increase in credit risk (SICR)

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group considers an exposure (including profit accrued) to have significantly increased in credit risk when:

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Quantitative criteria

- The Group considers that there has been a significant increase in credit risk when contractual payments are more than specified days.

Qualitative criteria

- whether there has been a significant increase in credit risk since initial recognition based on internal ratings;
- The customer / facility has been placed on the watchlist rating.

For all the accounts with other banks (local / foreign), due from FIs and sovereign exposures (in foreign currency), external ratings falling below specified rating grade shall be considered as SICR and the exposure will be classified in stage 2.

Exposure below specified rating grade, at origination, will be considered in stage 2.

51.1.6.2 Cooling off criteria

A customer classified as stage 2 will move to stage 1 if the following criteria is met and it does not meet SICR indicators at the reporting date.

Reason for classification	Move to Stage 1 when
Delinquency	Counterparty should not be delinquent as at reporting date. **
Restructured / rescheduling	Customer is regular as per Prudential Regulations for customers classified as Non-performing financing. *
Risk rating	As per the revised rating, the customer does not fall in the criteria of downgrading to Stage 2. *

*A minimum cooling period is required, from meeting the relevant criteria, before any financial asset is moved back to Stage 1

**A minimum cooling period or next payment made on due date, whichever is later, from meeting the relevant criteria has lapsed/ occurred before customer is moved back to Stage 1.

As a general rule, the underlying facility must have become regular, should be current and no longer meets the definition of credit impaired or is in default before it can be reclassified back from Stage 3.

Any upgrading of non-performing exposure to a performing status must be subject to a cooling off period of 3 months. However, for financings classified as non-performing, cooling off period and other conditions specified in PRs will have to be complied with. If the facility has been regular doing cooling off period, it will move back to stage 2 after which the criteria for moving from stage 1 to stage 2 will be applied.

51.1.2 Segmental information

51.1.2.1 Due from financial institutions

Credit risk by public / private sector

	Gross amount due from financial institutions		Non-performing amount due from financial institution		Credit loss allowance (Stage 3)					
					Stage 3		Stage 2		Stage 1	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Public / Government	-	-	-	-	-	-	-	-	-	-
Private	12,340,916	34,979,799	15,500	15,500	15,500	15,500	178	-	13	-
	12,340,916	34,979,799	15,500	15,500	15,500	15,500	178	-	13	-

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511.2.2 Investment in debt securities

Credit risk by industry sector

	Gross investments*		Non-performing investments		Credit loss allowance					
					Stage 3		Stage 2		Stage 1	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Chemical and pharmaceuticals	363,636	417,650	-	17,650	-	17,650	-	-	1,300	1,754
Construction and allied industries	83,333	656,961	-	-	-	-	-	-	2,949	2,578
Steel and allied industries	315,750	790,750	272,000	272,000	272,000	272,000	-	-	29	455
Federal Government Securities	2,533,671,558	1,684,683,725	-	-	-	-	-	-	-	-
Financial	1,009,383	992,150	-	-	-	-	-	-	-	-
Foreign Government Securities	9,969,644	3,194,577	-	-	-	-	-	-	1,042	326
Oil and Gas	351,735	-	-	-	-	-	-	-	-	-
Power (electricity)	10,390,736	125,872,393	-	-	-	-	-	-	144	103
Textile	43,619	52,300	43,619	52,300	43,619	52,300	-	-	-	-
	2,556,199,394	1,816,660,506	315,619	341,950	315,619	341,950	-	-	5,464	5,216
Credit risk by public / private sector										
Public / Government	2,552,443,486	1,812,918,867	-	-	-	-	-	-	-	-
Private	3,755,908	3,741,639	315,619	341,950	315,619	341,950	-	-	5,464	5,216
	2,556,199,394	1,816,660,506	315,619	341,950	315,619	341,950	-	-	5,464	5,216

*This includes debt securities carried at FVTPL and also includes government and government guaranteed debt securities on which ECL has not been calculated.

511.2.3 Islamic financing and related assets

Credit risk by industry sector

	Gross Islamic financing and related assets*		Non-performing Islamic financing and related assets		Credit loss allowance					
					Stage 3		Stage 2		Stage 1	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Agriculture, food, feed mills, poultry, dairy, forestry and fishing	212,817,521	133,316,192	2,594,375	2,679,877	2,571,779	2,644,356	4,019	6,187	176,664	165,479
Automobile and transportation equipment	59,536,545	45,697,887	238,736	344,085	238,736	345,149	11,933	22,132	101,221	68,102
Cement	25,013,605	45,026,273	-	-	-	-	-	19	15,855	34,621
Chemical and pharmaceuticals	72,637,357	159,880,403	16,908	148,928	16,908	148,928	145,944	62,485	116,757	106,063
Construction	30,972,963	20,595,402	7,191,929	4,606,743	5,918,114	4,099,676	1,354	5,831	56,331	20,419
Steel and allied industries	23,271,306	26,470,006	2,464,930	2,810,118	2,464,572	2,807,552	2,219	5,957	21,648	24,834
Plastic products manufacturer	14,584,074	9,240,192	-	-	-	-	-	12	38,463	16,879
Electronics and electrical appliances	13,507,813	16,311,149	1,331,600	1,170,124	1,331,600	1,250,000	42,177	33,803	36,910	33,777
Exports / imports	3,395,098	3,384,827	143,759	148,939	143,759	148,939	-	-	1,448	4,231
Fertilizer	95,102,553	82,111,061	85,753	-	43,127	-	354	96	49,483	34,761
Financial	13,249,970	4,948,349	-	-	-	-	9,241	-	16,370	15,560
Footwear and leather garments	4,343,520	4,131,641	-	-	-	-	588	901	15,673	19,177
Individuals	74,264,067	57,323,811	1,381,881	2,009,082	992,478	1,528,150	49,325	65,743	95,373	100,189
Takaful / insurance	641,418	303,506	-	-	-	-	-	-	1,925	625
Mining and quarrying	11,851,565	11,867,305	-	-	-	-	32	78	18,513	18,588
Oil and gas	255,626,695	153,533,353	3,388,772	4,274,351	3,381,910	4,247,410	1,531,429	-	182,955	333,261
Paper, board and packaging	37,106,741	42,934,811	95,734	138,716	93,719	136,701	291,020	-	66,833	196,275
Power (electricity)	206,999,385	114,931,497	691,953	723,741	691,953	723,741	-	23	295,318	356,115
Services	20,014,815	71,589,449	24,504	38,172	23,861	37,179	4,176	1,695	27,824	33,346
Sugar	45,845,113	45,760,196	-	-	-	-	1,527	88,364	136,750	109,794
Textile	277,566,356	335,166,388	10,679,867	5,418,806	7,837,483	5,127,683	875,478	849,322	468,506	614,008
Transport, storage and communication	121,854,716	116,393,259	119,925	101,008	58,874	54,190	327	357,796	412,703	223,187
Wholesale and retail trade	50,851,558	40,423,485	440,266	616,445	378,126	574,462	40,435	10,516	65,442	61,217
Others	15,212,053	15,021,876	127,231	14,038	87,323	10,962	1,176	456	25,968	19,380
	1,686,266,807	1,556,362,318	31,018,123	25,243,173	26,274,322	23,885,078	3,012,754	1,511,416	2,444,933	2,609,888

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Credit risk by public / private sector	Gross Islamic financing and related assets*		Non-performing Islamic financing and related assets		Credit loss allowance					
					Stage 3		Stage 2		Stage 1	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees in '000										
Public / Government	447,959,601	205,613,298	-	-	-	-	1,521,770	-	282,664	371,416
Private	1,238,307,206	1,350,749,020	31,018,123	25,243,173	26,274,322	23,885,078	1,490,984	1,511,416	2,162,269	2,238,472
	<u>1,686,266,807</u>	<u>1,556,362,318</u>	<u>31,018,123</u>	<u>25,243,173</u>	<u>26,274,322</u>	<u>23,885,078</u>	<u>3,012,754</u>	<u>1,511,416</u>	<u>2,444,933</u>	<u>2,609,888</u>

*This includes government guaranteed exposures on which ECL has not been calculated.

51.1.2.4 Contingencies and Commitments Credit risk by industry sector

	2025	2024
	Rupees in '000	
Agriculture, food, feed mills, poultry, dairy, forestry and fishing	197,011,173	297,756,074
Automobile and transportation equipment	93,152,922	69,356,050
Cement	48,934,179	6,536,861
Chemical and pharmaceuticals	66,647,850	70,034,097
Construction	22,205,337	27,649,036
Steel and allied industries	31,548,867	38,296,453
Plastic products manufacturer	7,177,258	6,943,853
Electronics and electrical appliances	25,270,597	32,843,317
Exports / imports	11,313,006	5,850,793
Fertilizer	57,053,259	57,058,348
Financial	398,751,994	359,863,485
Footwear and leather garments	34,250,940	13,687,367
Individuals	513,913	6,151,547
Takaful / insurance	794,564	700,301
Mining and quarrying	6,451,355	8,657,743
Oil and gas	47,455,869	127,972,685
Paper, board and packaging	25,202,442	19,897,951
Power (electricity)	174,111,663	107,419,860
Services	84,092,254	93,249,990
Sugar	45,107,510	43,980,208
Textile	266,812,484	277,966,253
Transport, storage and communication	128,631,787	14,014,447
Wholesale and retail trade	42,305,121	171,667,604
Others	21,392,549	33,128,376
	<u>1,836,188,893</u>	<u>1,890,682,699</u>
Credit risk by public / private sector		
Public / Government	277,247,066	300,512,632
Private	<u>1,558,941,827</u>	<u>1,590,170,067</u>
	<u>1,836,188,893</u>	<u>1,890,682,699</u>

51.1.2.5 Concentration of Islamic financing and related assets

The Holding Company top 10 exposures on the basis of total (funded and non-funded) exposures aggregated to Rs. 627,389 million (2024: Rs. 541,432 million) as follows:

	2025	2024
	Rupees in '000	
Funded exposure	521,302,528	444,479,159
Non funded exposure	106,086,813	96,952,716
Total exposure	<u>627,389,341</u>	<u>541,431,875</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 762,573 million (2024: Rs. 631,523 million). None of the exposure against these top 10 customers is in classified stage.

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51.1.2.6 Islamic Financings and related assets - Province/Region-wise Disbursement & Utilization

		2025					
		Disbursements			Utilization		
Province / Region		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		Rupees in '000					
Punjab	1,336,605,945	1,336,605,945	-	-	-	-	-
Sindh	1,288,655,538	-	1,288,655,538	-	-	-	-
KPK including FATA	24,699,309	-	-	24,699,309	-	-	-
Balochistan	4,483,212	-	-	-	4,483,212	-	-
Islamabad	287,579,912	-	-	-	-	287,579,912	-
AJK including Gilgit-Baltistan	126,224	-	-	-	-	-	126,224
Total	2,942,150,140	1,336,605,945	1,288,655,538	24,699,309	4,483,212	287,579,912	126,224

		2024					
		Disbursements			Utilization		
Province / Region		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		Rupees in '000					
Punjab	1,130,141,028	1,130,141,028	-	-	-	-	-
Sindh	1,916,969,747	-	1,916,969,747	-	-	-	-
KPK including FATA	18,650,934	-	-	18,650,934	-	-	-
Balochistan	3,922,278	-	-	-	3,922,278	-	-
Islamabad	225,913,434	-	-	-	-	225,913,434	-
AJK including Gilgit-Baltistan	292,578	-	-	-	-	-	292,578
Total	3,295,889,999	1,130,141,028	1,916,969,747	18,650,934	3,922,278	225,913,434	292,578

51.1.3 Credit Risk - General Disclosures

The Group has adopted Standardised Approach of Basel Accord for calculation of capital charge against credit risk. Therefore, risk weights for the credit risk related assets (on-balance sheet and off-balance sheet - market and non market related exposures) are assigned on basis of standardised approach.

51.1.3.1 Credit Risk: Disclosures for portfolio subject to the Standardised Approach

Under standardised approach the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognised by the SBP for capital adequacy purposes. In this connection, the Group utilises the credit ratings assigned by ECAIs and has recognised agencies such as PACRA (Pakistan Credit Rating Agency) and VIS Credit Rating Company which are also recognised by the SBP.

In case of foreign currency exposures against banks, ratings assigned by S&P, Fitch and Moody's have been applied.

Types of Exposure and ECAI's used

2025					
Exposures	VIS	PACRA	Standard & Poor's	Fitch	Moody's
Corporate	✓	✓	✓	✓	✓
Banks	✓	✓	✓	✓	✓
Public Sector Entities	✓	✓	-	-	-
Sovereign	-	-	✓	✓	✓

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Use of ECAI Ratings

The Group prefers solicited ratings over unsolicited ratings at all times, owing to the greater degree of accuracy (in general) associated with solicited ratings. Unsolicited ratings may only be used in cases where a solicited rating is not available.

Mapping to SBP Rating Grades

The alignment of the Alphanumerical scale of each agency is mapped with risk buckets in accordance with instructions laid down by SBP under Basel II requirements.

51.13.2 Credit exposures subject to standardised approach

On-balance sheet Exposures	2025			2024		
	Amount Outstanding	Deduction Credit Risk Management	Net amount	Amount Outstanding	Deduction Credit Risk Management	Net amount
Rupees in '000						
Banks						
20%	27,194,391	-	27,194,391	62,646,632	39,424,000	23,222,632
50%	5,391,428	-	5,391,428	282,059	-	282,059
100%	-	-	-	-	-	-
150%	23,418	-	23,418	4,355	-	4,355
Unrated	1,760,037	-	1,760,037	1,148,637	-	1,148,637
Sovereigns						
0%	2,466,057,062	116,899,913	2,349,157,149	1,960,504,914	1,514,780	1,958,990,134
20%	6,026,325	-	6,026,325	1,750,660	-	1,750,660
50%	2,842,061	-	2,842,061	1,393,730	-	1,393,730
100%	-	-	-	-	-	-
150%	1,652,784	-	1,652,784	700,757	-	700,757
Public Sector entities						
20%	126,613,161	18,347,884	108,265,277	126,613,161	18,347,884	108,265,277
50%	-	-	-	-	-	-
Unrated (50%)	226,369,469	167,386,120	58,983,349	226,369,469	167,386,120	58,983,349
Corporate						
20%	489,867,899	33,869,844	455,998,055	542,398,591	76,767,886	465,630,705
50%	210,568,231	6,249,158	204,319,073	230,726,307	12,864,659	217,861,648
100%	3,109,012	72,274	3,036,738	3,401,688	73,621	3,328,067
Unrated 1 (100%)	268,354,420	9,621,088	258,733,332	176,543,618	5,474,552	171,069,066
Unrated 2 (125%)	152,835,298	10,245,354	142,589,944	309,699,314	154,789,048	154,910,266
Retails						
75%	92,375,219	23,102,195	69,273,024	82,012,781	11,587,796	70,424,985
Residential Mortgage						
35%	21,984,334	-	21,984,334	17,864,406	-	17,864,406
25%	5,036,085	2,001,290	3,034,795	5,597,886	2,239,026	3,358,860
Past Due						
50%	1,965,698	77,351	1,888,347	1,026,043	167,841	858,202
100%	2,994,454	39,727	2,954,727	965,434	11,812	953,622
150%	37,008	6,735	30,273	165,996	58,617	107,379
Others (0% - 250%)	147,365,737	-	147,365,737	147,188,655	-	147,188,655
Total	4,260,423,531	387,918,933	3,872,504,598	3,899,005,093	490,707,642	3,408,297,451

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51.1.3.3 Credit Risk: Disclosures with respect to Credit risk mitigation for Standardised approach and IRB

The Group obtains capital relief for both its on-balance and off-balance sheet non-market related exposures by using simple approach for Credit Risk Mitigation (CRM). Off-balance sheet items under the simplified standardised approach are converted into credit exposure equivalents through the use of credit conversion factors. Under the standardised approach the Group has taken advantage of the cash collaterals available with the Group in the form of security deposits, cash margins, certificates of Islamic investment, monthly mudaraba certificate, saving accounts, guarantees, shares and Government securities.

The credit equivalent amount of an off-balance sheet market related foreign exchange contracts are determined by using the current exposure (mark to market) method.

The total benefit of Rs 321,806.517 million was availed through CRM against total on-balance sheet exposure of Rs 4,242,036.500 million. Under off-balance sheet, total benefit of Rs 13,123.889 million was availed by the Group through CRM against total off-balance sheet, non-market related exposure of Rs 1,455,469.580 million. In the year 2025, total CRM benefit was Rs 334,930.406 million as against amount of Rs 511,583.192 million in year 2024.

51.1.3.4 Credit concentration risk

Credit concentration risk arises mainly due to concentration of exposures under various categories viz., industry, geography, and single / group borrower obligor. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single and group obligors. Within the SBP limits, the Group has further defined limits to avoid excessive concentration of portfolio.

51.2 Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects yield rate risk, currency risk and other price risks. Banks could be adversely affected by movements in market rates or prices such as benchmark rates, deposit rates, foreign exchange rates, equity prices and market conditions resulting in a loss to earnings and capital.

51.2.1 Equity position in the banking and trading book

The Group classifies and values its investment portfolio in accordance with the directives of SBP as stated in note 6.1 to these consolidated financial statements.

Trading book

FVTPL / held for trading and FVOCI / available for sale securities;

- They are marked to market daily; and
- Any valuation difference is charged / credited to the consolidated statement of profit and loss account in case of FVTPL securities and to surplus on revaluation of investments - net of tax under equity in case of FVOCI securities.

AFS / FVOCI portfolio will gradually be made part of the trading in compliance with regulatory requirements.

Banking book

Assets outside trading book are part of the banking book. These may include assets classified as FVOCI and Amortised Cost.

51.2.2 Balance sheet split by trading and banking books

	2025			2024		
	Banking Book	Trading Book	Total	Banking Book	Trading Book	Total
Rupees in '000						
Cash and balances with treasury banks	330,810,281	-	330,810,281	260,873,367	-	260,873,367
Balances with other banks	15,439,064	-	15,439,064	13,290,726	-	13,290,726
Due from financial institutions	12,325,225	-	12,325,225	34,964,299	-	34,964,299
Investments	2,030,217,908	578,116,296	2,608,334,204	1,852,480,538	26,372,303	1,878,852,841
Islamic financings and related assets	1,640,934,798	-	1,640,934,798	1,514,755,936	-	1,514,755,936
Property and equipment	50,826,681	-	50,826,681	47,226,503	-	47,226,503
Right-of-use assets	22,174,737	-	22,174,737	21,622,622	-	21,622,622
Intangible assets	3,493,490	-	3,493,490	2,960,432	-	2,960,432
Deferred tax asset	-	-	-	-	-	-
Other assets	135,596,974	-	135,596,974	137,641,875	-	137,641,875
	4,241,819,158	578,116,296	4,819,935,454	3,885,816,298	26,372,303	3,912,188,601

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The Group uses a number of methods to monitor and control market risk exposures. One of the major tools used by the Group to monitor and limit market risk is Value at Risk (VaR). VaR is defined as the estimated loss that will arise on a position or a portfolio over a particular (holding) period of time from an adverse market movement with a specific probability (confidence level). The VaR model used by the Group takes 99% confidence level and assumes a 1 to 10 days holding period whilst using the historical simulation taking the data of the last three years. Daily VaR figures are circulated to the senior management and regular summaries are reported in ALCO meetings.

The VaR reports are complemented by various other position and sensitivity limit structures, including stress, sensitivity, gap and scenario analysis. The capital charge for market risk has been calculated by using Standardized Approach.

51.2.3 Foreign exchange risk

The foreign exchange risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position. The objectives of the foreign exchange risk management is to minimise the adverse impact of foreign exchange rate movements on the assets and liabilities mismatch (tenor and position) and maximise their earnings.

Whenever a commercial bank deals in foreign currency, it is exposed to risk of exchange rate. The Group's assets and liabilities in foreign currencies give rise to foreign exchange risk which has to be managed by the Group; this risk is mitigated by using different hedging techniques. Hedging is a way used by a Group to eliminate or minimize its risk exposures. Hedging can be done using different ways like gap analysis, hedging (forwards), assigning limits in terms of amount, tenor, currency, product, countries, counterparties etc. The Group limits its currency exposure to the extent of statutory net open position prescribed by the SBP except in the cases where exemption is provided by the SBP. Foreign exchange open and mismatch positions are controlled through close monitoring and are marked to market on a daily basis.

The analysis below represents the concentration of the Group's foreign currency risk for on and off balance sheet financial instruments:

	2025			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	Rupees in '000			
Pakistan Rupees	4,641,632,455	4,329,767,313	(20,989,966)	290,875,176
United States Dollars	161,803,331	170,698,759	5,529,360	(3,366,068)
Great Britain Pounds	1,800,028	10,658,744	8,927,368	68,652
Japanese Yen	124,367	44,524	(78,725)	1,118
Euro	3,432,679	10,387,065	7,139,352	184,966
Singapore Dollars	38,570	17,189	-	21,381
Australian Dollars	377,091	98,580	(262,226)	16,285
Canadian Dollars	19,657	545	-	19,112
United Arab Emirates Dirham	152,750	11	-	152,739
Swiss Francs	11,815	-	(24,726)	(12,911)
Saudi Riyal	162,604	12,295	-	150,309
Swedish Krona	10,015	-	-	10,015
Malaysian Ringgit	9,473	-	-	9,473
Hong Kong Dollar	13,220	-	-	13,220
Thailand Bhat	167	-	-	167
Norwegian Krone	9,815	-	-	9,815
Danish Krone	12,735	-	-	12,735
Sri Lankan Rupees	8	-	-	8
Taiwan Dollar	16	-	-	16
Brunei Dollar BND	595	-	-	595
Scotish Pound SLP	1,075	-	-	1,075
Turkish Lira TRY	1,253	-	-	1,253
South African ZAR	4	-	-	4
Bahrain Dinar BHD	1,394	-	-	1,394
Kuwait Dinar	4,016	-	-	4,016
Qatari Riyal QAR	1,856	-	-	1,856
Omani Riyal OMR	10,563	-	-	10,563
Indian Rupees	15	-	-	15
New Zealand Dollar	299	-	-	299
Iraqi Dinar	32	-	-	32
Azerbaijan Manat	29	-	-	29
Chinese Yuan	10,303,527	10,052,364	(240,437)	10,726
Total foreign currency exposure	178,302,999	201,970,076	20,989,966	(2,677,111)
Total currency exposure	4,819,935,454	4,531,737,389	-	288,198,065

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	2024			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	Rupees in '000			
Pakistan Rupees	3,766,784,051	3,466,170,926	(47,003,140)	253,609,985
United States Dollars	136,693,180	171,859,704	34,842,683	(323,841)
Great Britain Pounds	2,317,517	9,306,689	7,116,176	127,004
Japanese Yen	45,659	18,334	(30,318)	(2,993)
Euro	3,194,934	8,576,231	5,469,787	88,490
Singapore Dollars	19,949	10,742	-	9,207
Australian Dollars	436,237	186,640	(242,542)	7,055
Canadian Dollars	5,019	21,543	-	(16,524)
United Arab Emirates Dirham	351,985	338,835	-	13,150
Swiss Francs	10,476	51	-	10,425
Saudi Riyal	75,567	10,543	-	65,024
Swedish Krona	4,408	-	-	4,408
Malaysian Ringgit	5,078	3	-	5,075
Hong Kong Dollar	2,109	-	-	2,109
Thailand Bhat	674	-	-	674
Norwegian Krone	5,161	-	-	5,161
Danish Krone	10,772	-	-	10,772
Chinese Yuan	2,221,480	2,058,140	(152,646)	10,694
Others	4,345	-	-	4,345
Total foreign currency exposure	145,404,550	192,387,455	47,003,140	20,235
Total currency exposure	3,912,188,601	3,658,558,381	-	253,630,220

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates on				
- Consolidated Statement of Profit and Loss Account	-	15,881	-	1,673
- Consolidated Statement of Comprehensive Income	-	-	-	-

51.2.4 Equity position risk

Equity position risk is defined as the risk to earnings or capital arising from adverse changes in value of equity portfolios of Group. The limits assigned to various individual scripts and total portfolio investments are fixed as per the guidelines issued by the SBP. The Group invests in only Shariah compliant equities as advised by the Resident Shariah Board Member.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices on				
- Consolidated Statement of Profit and Loss Account	-	-	-	-
- Consolidated Statement of Comprehensive Income	-	628,840	-	408,782

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51.2.5 Yield / profit rate risk

Yield risk occurs when there is a mismatch between positions, which are subject to profit rate alterations within a particular time period. The Group's financing, placement and investment activities give rise to profit rate risk. The effect of changes in profit rate is on the Group's income, and resultant impact is on the Group's net worth.

Profit rate risk is primarily managed by monitoring the rate sensitive gaps and by having the pre-approved limits for repricing buckets. ALCO is the supervising body for adherence with these, complemented by the monitoring of sensitivity of the Group's financial assets and liabilities to various scenarios.

The Group estimates changes in the market value of equity due to changes in the yield rates on on-balance sheet positions and their impact on capital adequacy ratio by conducting stress tests. It also assesses risk on earnings of the Group by various shocks.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
Impact of 1% change in discount rates, with other factors remaining constant, on:				
- Consolidated Statement of Profit and Loss account	7,424,274	-	6,021,165	-
- Consolidated Statement of Comprehensive Income	-	-	-	-

51.2.6 Mismatch of yield rate sensitive assets and liabilities

Effective yield rate %	Total	2025									Non- yield bearing financial instruments
		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	Above 10 years	
		Rupees in '000									
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	-	330,810,281	-	-	-	-	-	-	-	-	330,810,281
Balances with other banks	-	15,439,064	-	-	-	-	-	-	-	-	15,439,064
Due from financial institutions	9.44	12,325,225	12,325,225	-	-	-	-	-	-	-	-
Investments	13.30	2,595,426,328	75,490,830	26,196,654	1,506,640,407	226,483,301	55,571,749	555,949,130	129,524,810	2,281,686	17,287,761
Islamic financing and related assets	10.96	1,640,934,798	769,521,725	317,970,600	280,669,039	54,480,671	21,368,047	35,915,499	48,043,063	76,715,969	3,130,713
Other assets	-	119,707,043	-	-	-	-	-	-	-	-	119,707,043
		4,714,642,739	857,337,780	344,167,254	1,787,309,446	280,963,972	76,939,796	591,864,629	177,567,873	78,997,655	486,374,862
Liabilities											
Bills payable	-	73,767,955	-	-	-	-	-	-	-	-	73,767,955
Due to financial institutions	10.95	887,048,227	803,145,763	20,157,308	6,145,968	715,321	9,328,245	2,120,767	9,132,960	32,787,844	2,773,506
Deposits and other accounts	3.42	3,302,337,407	1,693,744,430	18,472,940	810,800	-	-	-	-	-	1,589,309,237
Lease liability against right-of-use assets	-	28,889,130	-	-	-	-	-	-	-	-	28,889,130
Sub-ordinated sukus	12.16	16,990,000	7,000,000	-	9,990,000	-	-	-	-	-	-
Other liabilities	-	175,617,681	-	-	-	-	-	-	-	-	175,617,681
		4,484,650,400	2,503,890,193	38,630,248	16,946,768	715,321	9,328,245	2,120,767	9,132,960	32,787,844	1,870,357,509
On-balance sheet gap		229,992,339	(1,646,552,413)	305,537,006	1,770,362,678	280,248,651	67,611,551	589,743,862	168,434,913	46,209,811	(1,383,982,647)
Non financial assets											
- Investments		12,907,876	-	-	-	-	-	-	-	-	12,907,876
- Property and equipment		50,826,681	-	-	-	-	-	-	-	-	50,826,681
- Right-of-use assets		22,174,737	-	-	-	-	-	-	-	-	22,174,737
- Intangible assets		3,493,490	-	-	-	-	-	-	-	-	3,493,490
- Other assets		15,889,931	-	-	-	-	-	-	-	-	15,889,931
		105,292,715	-	-	-	-	-	-	-	-	105,292,715
Non financial liabilities											
- Other liabilities		43,479,354	-	-	-	-	-	-	-	-	43,479,354
- Deferred tax liabilities		3,607,635	-	-	-	-	-	-	-	-	3,607,635
		47,086,989	-	-	-	-	-	-	-	-	47,086,989
Total net assets		288,198,065	-	-	-	-	-	-	-	-	288,198,065
Off-balance sheet financial instruments											
Guarantees		94,577,231	-	-	-	-	-	-	-	-	94,577,231
Documentary letter of credits		311,246,151	-	-	-	-	-	-	-	-	311,246,151
Forward purchase of foreign exchange contracts		200,854,639	-	-	-	-	-	-	-	-	200,854,639
Forward sale of foreign exchange contracts		(179,864,673)	-	-	-	-	-	-	-	-	(179,864,673)
Off-balance sheet gap		426,813,348	-	-	-	-	-	-	-	-	426,813,348
Total yield risk rate sensitivity gap			(1,646,552,413)	305,537,006	1,770,362,678	280,248,651	67,611,551	589,743,862	168,434,913	46,209,811	(957,169,299)
Cumulative yield risk rate sensitivity gap											
			(1,646,552,413)	(1,341,015,407)	429,347,271	709,595,922	777,207,473	1,366,951,335	1,535,386,248	1,581,596,059	656,805,687

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2024											
Effective yield rate %	Total	Exposed to yield risk								Non-yield bearing financial instruments	
		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 in '000											
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	-	260,873,367	-	-	-	-	-	-	-	-	260,873,367
Balances with other banks	0.07	13,290,726	280,223	-	-	-	-	-	-	-	13,010,503
Due from financial institutions	12.17	34,964,299	-	-	-	34,964,299	-	-	-	-	-
Investments	13.24	1,868,772,848	115,968,043	94,648,806	1,236,458,474	20,580,530	236,852,778	79,831,769	73,553,420	-	10,879,028
Islamic financing and related assets	12.12	1,514,755,936	869,959,386	303,725,090	177,726,983	38,054,820	16,800,151	27,049,010	29,252,331	36,871,558	1,959,060
Other assets	-	125,009,137	-	-	-	-	-	-	-	-	125,009,137
		3,817,666,313	986,207,652	398,373,896	1,414,185,457	93,599,649	253,652,929	106,880,779	102,805,751	36,871,558	411,731,095
Liabilities											
Bills payable	-	112,605,407	-	-	-	-	-	-	-	-	112,605,407
Due to financial institutions	13.55	722,286,318	608,484,708	17,740,596	32,098,714	551,230	2,113,740	9,263,522	6,971,445	40,234,700	2,083,290
Deposits and other accounts	3.38	2,584,583,671	1,355,793,305	-	-	-	-	-	-	-	1,228,790,366
Lease liability against right-of-use assets	-	26,286,276	-	-	-	-	-	-	-	-	26,286,276
Sub-ordinated Sukuk	17.88	20,990,000	11,000,000	-	9,990,000	-	-	-	-	-	-
Other liabilities	-	150,893,976	-	-	-	-	-	-	-	-	150,893,976
		3,617,645,648	1,975,278,013	17,740,596	42,088,714	551,230	2,113,740	9,263,522	6,971,445	40,234,700	1,520,659,315
On-balance sheet gap		200,020,665	(989,070,361)	380,633,300	1,372,096,743	93,048,419	251,539,189	97,617,257	95,834,306	(3,363,142)	10,613,174
Non financial assets											
- Investments		10,079,993	-	-	-	-	-	-	-	-	-
- Property and equipment		47,226,503	-	-	-	-	-	-	-	-	-
- Right-of-use assets		21,622,622	-	-	-	-	-	-	-	-	-
- Intangible assets		2,960,432	-	-	-	-	-	-	-	-	-
- Deferred tax asset		-	-	-	-	-	-	-	-	-	-
- Other assets		12,632,738	-	-	-	-	-	-	-	-	-
		94,522,288	-	-	-	-	-	-	-	-	-
Non financial liabilities											
- Other liabilities		25,381,975	-	-	-	-	-	-	-	-	-
- Deferred tax liabilities		15,530,758	-	-	-	-	-	-	-	-	-
		40,912,733	-	-	-	-	-	-	-	-	-
Total net assets		253,630,220	-	-	-	-	-	-	-	-	-
Off-balance sheet financial instruments											
Guarantees		78,286,727	-	-	-	-	-	-	-	-	78,286,727
Documentary letter of credits		369,351,453	-	-	-	-	-	-	-	-	369,351,453
Forward purchase of foreign exchange contracts		163,944,780	-	-	-	-	-	-	-	-	163,944,780
Forward sale of foreign exchange contracts		(116,941,640)	-	-	-	-	-	-	-	-	(116,941,640)
Off-balance sheet gap		494,641,320	-	-	-	-	-	-	-	-	494,641,320
Total yield risk rate sensitivity gap			(989,070,361)	380,633,300	1,372,096,743	93,048,419	251,539,189	97,617,257	95,834,306	(3,363,142)	10,613,174
Cumulative yield risk rate sensitivity gap			(989,070,361)	(608,437,061)	763,659,682	856,708,101	1,108,247,290	1,205,864,547	1,301,698,853	1,298,335,711	1,308,948,885

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market profit rates on both its fair value and cash flow risks.

Profit margins may increase as a result of such changes but may reduce to losses in the event that unexpected movement arise.

51.3 Liquidity risk

Liquidity risk is the potential for loss to the Group arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring an unacceptable cost.

The Holding Company's Board of Directors sets the Group's policy for managing liquidity risk and entrusts accountability for supervision of the implementation of this strategy to senior management. Senior management exercises its responsibilities for managing market & liquidity risk through various committees including the Asset & Liability Management Committee (ALCO). Treasury department manages the Group's liquidity position on a daily basis. The Group's main approach of managing the liquidity risk is to make certain that it will always have adequate liquidity to meet its liabilities when they are due in normal and stressed scenarios without incurring any untoward expenditure or risking reputational harm. ALCO monitors the maintenance of liquidity ratios, depositor's concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual deposits. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

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51.3.1 Assets and liabilities – based on contractual maturities

2025											
Rupees in '000											
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 to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years
Assets											
Cash and balances with treasury banks	330,810,281	-	-	-	-	-	-	-	-	-	-
Balances with other banks	15,439,064	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	12,325,225	-	-	12,325,225	-	-	-	-	-	-	-
Investments	2,608,334,204	854,004	3,895,230	4,389,148	382,750	43,873	11,860,857	510,523,365	494,320,333	728,896,536	311,734,732
Islamic financing and related assets	164,994,798	543,537,342	6,916,410	47,751,950	80,579,784	45,846,344	144,232,895	82,764,091	94,285,365	116,860,032	151,458,901
Property and equipment	50,826,681	38,959	233,755	623,346	1,980,852	990,426	3,469,160	5,133,102	6,738,352	5,466,797	5,751,048
Right-of-use assets	22,174,737	241,392	-	-	236,186	234,613	697,152	674,417	2,584,422	2,445,321	4,147,834
Intangible assets	3,493,490	3,402	20,411	54,429	202,652	101,026	291,638	137,598	969,793	767,312	502,780
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	6,441
Other assets	135,596,974	355,595	3,853,774	10,618,661	15,085,374	14,048,491	39,213,370	23,638,955	701,079	94,405	188,811
	891,280,039	14,921,580	20,865,392	85,638,251	98,466,988	61,264,773	189,764,572	619,126,572	599,579,344	854,530,403	473,784,106
Liabilities											
Bills payable	73,767,955	24,343,425	16,474,843	16,474,844	-	-	-	-	-	-	-
Due to financial institutions	887,048,227	7,300,394	101,210,356	30,321,050	14,342,363	5,814,975	6,145,261	526,581	9,304,484	2129,294	9,150,813
Deposits and other accounts	3,302,337,407	3,015,503,020	27,445,819	66,045,690	25,060,849	16,676,677	26,328,436	31,720,454	9,497,515	7,752,344	7,838,166
Lease liability against right-of-use assets	28,889,130	70,416	-	-	9,069	(10,584)	122,649	269,541	894,277	1,347,498	2,983,876
Sub-ordinated sukuk	16,990,000	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	3,607,635	-	-	-	-	-	-	450,954	901,909	-	901,909
Other liabilities	219,097,035	5,058,651	32,059,299	12,318,236	18,295,726	17,252,488	47,959,430	8,443,212	4,034,263	3,427,589	6,855,178
	4,531,737,389	3,052,275,906	746,757,328	127,159,820	57,708,007	39,733,456	80,555,776	41,412,742	24,632,448	15,558,634	27,729,742
Net assets											
	288,198,065	(2,160,995,867)	(731,835,748)	(41,521,569)	40,758,991	21,531,317	119,208,796	56,921,063	574,946,896	838,971,769	446,054,364
Share capital	18,005,546.00										
Reserves	57,984,764.00										
Surplus on revaluation of assets	14,380,110.00										
Unappropriated profit	195,304,919.00										
Non-Controlling Interest	2,522,726.00										
	288,198,065.00										

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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 in '000														
Assets														
Cash and balances with treasury banks	260,873,367	260,873,367	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	13,290,726	13,290,726	-	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	34,984,299	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	1,878,852,841	357,608	2,102,622	2,453,059	15,757,736	11,36,824	344,056	27,376,432	30,903,621	30,903,621	510,017,650	488,014,668	438,989,681	308,372,287
Islamic financing and related assets	1,514,755,936	699,307,885	7,580,547	19,805,549	77,889,078	64,290,165	74,906,281	105,789,406	21,900,938	21,900,938	59,012,781	54,291,280	174,328,298	124,051,491
Property and equipment	47,226,503	51,395	308,368	359,763	822,316	2,387,832	1,193,916	4,583,408	2,269,653	2,269,653	5,524,390	4,690,507	4,843,640	13,382,357
Right-of-use assets	21,622,822	-	-	-	6,763	4,960	-	42,509	31,465	31,465	617,897	582,040	1,618,653	18,886,115
Intangible assets	2,960,432	2,529	15,173	17,701	40,460	150,781	75,390	223,706	107,905	107,905	781,537	624,331	579,251	17,952
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	137,641,875	338,659	14,464,021	4,560,096	10,669,745	14,386,159	12,205,658	29,909,373	24,696,675	24,696,675	(68,947)	378,570	383,500	-
	3,912,188,601	974,222,167	24,470,731	27,196,170	105,186,098	82,356,721	88,725,301	167,923,835	153,387,391	79,910,256	575,885,308	548,581,397	619,853,023	464,510,202
Liabilities														
Bills payable	112,605,407	3,759,784	25,148,541	25,148,541	25,148,541	79,939,864	9,800,731	32,098,714	-	377,494	2,113,740	9,263,522	6,971,445	42,979,073
Due to financial institutions	722,386,318	1,338,886	383,484,487	15,114,340	210,630,286	14,910,185	11,925,605	33,814,410	20,389,753	20,389,753	11,010,378	5,821,576	11,633,514	3,093,511
Deposits and other accounts	2,584,583,671	2,404,973,434	8,016,636	4,941,093	14,395,534	14,910,185	(4,727)	97,383	39,590,042	146,352	751,626	963,275	2,578,344	21,509,628
Lease liability against right-of-use assets	26,286,276	-	-	-	-	76,874	-	-	210,021	146,352	-	-	-	20,990,000
Subordinated sukuk	20,990,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	15,530,758	-	-	-	-	26,121,656	23,926,705	65,072,516	1,941,345	1,941,343	3,882,690	3,882,690	3,882,690	-
Other liabilities	176,275,951	750,280	15,041,383	7,301,443	16,934,762	26,121,656	23,926,705	65,072,516	10,860,690	9,838,999	17,758,434	447,517	-	-
	3,658,558,381	2,444,202,384	431,691,047	52,505,417	267,109,123	49,048,579	45,605,814	131,143,023	52,783,834	32,693,941	17,758,434	20,378,580	25,065,993	88,572,211
Net assets	253,630,220	(1,469,980,217)	(407,220,316)	(25,309,247)	(161,923,025)	33,308,142	43,119,487	36,780,812	100,583,557	47,216,315	558,126,874	528,202,817	594,787,030	375,937,991
Share capital	17,947,407	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	48,026,583	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets	22,141,192	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated/ Unremitted profit	163,601,395	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Controlling Interest	1,913,643	-	-	-	-	-	-	-	-	-	-	-	-	-
	253,630,220	-	-	-	-	-	-	-	-	-	-	-	-	-

Current and Savings deposits have been classified under maturity up to one day as these do not have any contractual maturity.

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51.3.2 Assets and liabilities - based on expected maturity

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 in '000									
Assets									
Cash and balances with treasury banks	330,810,281	330,810,281	-	-	-	-	-	-	-
Balances with other banks	15,439,064	15,439,064	-	-	-	-	-	-	-
Due from financial institutions	12,325,225	12,325,225	-	-	-	-	-	-	-
Investments	2,608,334,204	23,403,040	426,623	11,860,882	528,240,308	494,321,538	715,989,203	311,733,820	522,358,790
Islamic financing and related assets	1,640,934,798	217,984,128	251,505,751	260,580,247	284,819,483	94,265,365	116,860,032	151,458,901	230,341,419
Property and equipment	50,826,681	1,151,274	2,936,278	3,416,660	6,739,135	6,738,352	5,466,797	5,751,048	5,281,558
Right-of-use assets	22,174,737	241,392	470,800	697,152	1,359,502	2,584,422	2,445,321	4,147,834	10,228,314
Intangible assets	3,493,490	102,055	303,077	291,639	550,393	969,793	767,312	502,780	6,441
Deferred tax assets	-	-	-	-	-	-	-	-	-
Other assets	135,596,974	19,310,421	29,133,867	39,213,370	46,955,021	701,079	94,405	188,811	-
	4,819,935,454	620,784,363	284,811,395	316,112,427	868,771,593	599,579,343	841,622,528	473,784,106	781,350,227
									33,119,472
Liabilities									
Bills payable	73,767,955	73,767,955	-	-	-	-	-	-	-
Due to financial institutions	887,048,227	805,919,483	20,157,238	6,145,261	712,424	9,304,483	2,129,294	9,150,613	32,788,886
Deposits and other accounts	3,302,337,407	287,320,730	170,604,573	146,199,315	233,795,222	249,239,271	191,712,664	299,557,156	689,064,829
Lease liability against right-of-use assets	28,889,130	70,416	(1,515)	122,649	547,434	894,276	1,347,498	2,983,876	9,317,929
Subordinated sukus	16,990,000	-	-	-	-	-	-	-	9,990,000
Deferred tax liabilities	3,607,635	-	-	-	901,908	901,909	901,909	901,909	-
Other liabilities	219,097,035	86,925,102	35,548,214	47,958,430	17,209,314	4,034,263	3,427,589	6,855,178	17,137,945
	4,531,737,389	1,254,003,686	226,308,510	200,426,655	253,166,302	264,374,202	199,518,954	319,448,732	758,299,589
									1,056,190,759
Net assets	288,198,065	(633,219,323)	58,502,885	115,685,772	615,605,291	335,205,141	642,103,574	154,335,374	23,050,638
									(1,023,071,287)
Share capital and reserves									
Share capital	18,005,546								
Reserves	57,984,764								
Surplus on revaluation of assets	14,380,110								
Unappropriated profit	195,304,919								
Non Controlling Interest	2,522,726								
	288,198,065								
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 in '000									
Assets									
Cash and balances with treasury banks	260,873,367	260,873,367	-	-	-	-	-	-	-
Balances with other banks	13,290,726	13,290,726	-	-	-	-	-	-	-
Due from financial institutions	34,964,299	-	-	-	34,964,299	-	-	-	-
Investments	1,878,652,841	10,524,399	1,480,880	27,375,432	84,821,217	510,017,650	498,161,294	438,099,681	308,372,288
Islamic financing and related assets	1,514,755,936	302,550,823	302,203,743	257,417,215	240,900,304	59,012,781	54,291,280	174,328,298	86,659,636
Property and equipment	47,226,503	1,541,842	3,581,748	4,583,408	9,078,611	5,524,390	4,690,507	4,843,640	3,052,532
Right-of-use assets	21,622,622	6,763	4,960	42,509	63,685	617,897	582,040	1,618,653	7,450,020
Intangible assets	2,960,432	75,863	226,171	223,706	431,621	781,537	624,331	579,251	17,952
Deferred tax assets	-	-	-	-	-	-	-	-	-
Other assets	137,641,875	28,564,283	27,199,811	30,821,756	50,467,180	35,332	482,849	70,664	-
	3,912,188,601	617,428,066	334,697,313	320,464,026	420,726,917	575,989,587	558,832,301	619,540,187	405,552,428
									58,957,776
Liabilities									
Bills payable	112,605,407	112,605,407	-	-	-	-	-	-	-
Due to financial institutions	722,286,318	610,567,998	17,740,596	32,098,714	551,230	2,113,740	9,263,522	6,971,445	40,235,073
Deposits and other accounts	2,584,583,671	163,150,457	135,839,954	135,269,027	203,381,438	213,799,612	161,427,229	258,388,487	480,591,855
Lease liability against right-of-use assets	26,286,276	-	29,647	97,383	356,373	751,626	963,275	2,578,344	8,539,840
Subordinated sukus	20,990,000	-	-	-	-	-	-	-	13,990,000
Deferred tax liabilities	15,530,758	-	-	-	3,882,690	3,882,688	3,882,690	3,882,690	-
Other liabilities	176,275,951	40,007,867	50,048,361	65,072,516	20,699,690	-	447,517	-	-
	3,658,558,381	926,331,729	203,658,558	232,537,640	228,871,421	220,547,666	175,984,233	271,820,966	543,356,768
									855,449,400
Net assets	253,630,220	(308,903,663)	131,038,755	87,926,386	191,855,496	355,441,921	382,848,068	347,719,221	(137,804,340)
									(796,491,624)
Share capital and reserves									
Share capital	17,947,407								
Reserves	48,026,583								
Surplus on revaluation of assets	22,141,192								
Unappropriated/ Unremitted profit	163,601,395								
Non Controlling Interest	1,913,643								
	253,630,220								

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Regarding behaviour of non-maturity deposits (non-contractual deposits), the Group has carried out a behavioural study using the Value at Risk (VaR) methodology based on 5 years data. On the basis of its findings, 18.63% of current accounts and 19.82% of saving accounts are bucketed into 'Upto 1-Year maturity' whereas, 81.37% of current accounts and 80.18% of savings accounts are bucketed into maturities of above 1-Year.

51.3.3 Operational risk

The Group uses Basic Indicator Approach (BIA) for assessing the capital charge for operational risk. Under BIA the capital charge is calculated by multiplying average positive annual gross income of the Group over past three years with 15% as per guidelines issued by SBP under Basel II.

To reduce losses arising from operational risk, the Group has strengthened its risk management framework by developing policies, strategies, guidelines and manuals. It also includes set up of functions like operational risk management, prevention of fraud and forgery and information security function, defining responsibilities of individuals, implementing four eye principle, enhancing security measures, improving efficiency and effectiveness of operations, outsourcing and improving quality of human resources through trainings and development.

52. PROFIT / (LOSS) DISTRIBUTION TO DEPOSITORS' POOLS AND SPECIFIC POOLS

52.1 The Group managed following general and specific pools during the year:

2025								
General Remunerative (Savings and Fixed) Depositors' Pools	Number of pools	Profit Rate and weightage announcement period	Profit rate return earned - Average	Profit Sharing Ratio of Mudarib	Mudarib Fee based on profit sharing ratio	Profit rate return distributed to remunerative deposits (Savings and Fixed) - Average	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
					Rupees in '000	Rupees in '000		
PKR Pool	1	Monthly	11.41%	50%	84,891,019	6.68%	17%	14,444,987
USD Pool	1	Monthly	5.59%	75%	3,865,494	2.12%	17%	649,388
GBP Pool	1	Monthly	3.68%	90%	177,802	1.24%	26%	46,681
EUR Pool	1	Monthly	2.33%	90%	67,102	1.12%	42%	28,247

2024								
General Remunerative (Savings and Fixed) Depositors' Pools	Number of pools	Profit Rate and weightage announcement period	Profit rate return earned - Average	Profit Sharing Ratio of Mudarib	Mudarib Fee based on profit sharing ratio	Profit rate return distributed to remunerative deposits (Savings and Fixed) - Average	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
					Rupees in '000	Rupees in '000		
PKR Pool	1	Monthly	17.28%	50%	105,545,457	10.75%	24%	25,082,953
USD Pool	1	Monthly	7.29%	75%	4,598,549	2.32%	7%	426,238
GBP Pool	1	Monthly	4.90%	90%	217,047	1.21%	14%	35,288
EUR Pool	1	Monthly	3.99%	90%	96,399	1.06%	18%	17,749

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2025								
Specific Pools	Number of pools	Profit Rate and weightage announcement period	Profit rate return earned	Profit sharing ratio	Investment ratio	Profit rate return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba to remunerative deposits

Islamic Export Refinance (IERS) Musharaka Pool	1	Monthly	16.83%	-*	-*	10.85%	N/A	N/A
Inter Bank Musharaka / Mudaraba borrowing Pool	493	As required	18.71% - 8.37%	-*	-*	14.00% - 7.00%	N/A	N/A
Special Sharikah Certificate / PMRC Musharaka / Mudaraba borrowing Pool	375	As required	19.56% - 8.37%	-*	-*	12.79% - 2.08%	N/A	N/A

* The profit sharing ratio and the investment ratio varies on case to case basis.

2024								
Specific Pools	Number of pools	Profit Rate and weightage announcement period	Profit rate return earned	Profit sharing ratio	Investment ratio	Profit rate return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba to remunerative deposits

Islamic Export Refinance (IERS) Musharaka Pool	1	Monthly	16.83%	-*	-*	10.85%	N/A	N/A
Inter Bank Musharaka / Mudaraba borrowing Pool	530	As required	24.71% - 11.40%	-*	-*	23.00% - 10.00%	N/A	N/A
Special Sharikah Certificate / PMRC Musharaka / Mudaraba borrowing Pool	369	As required	24.71% - 11.40%	-*	-*	20.60% - 3.42%	N/A	N/A

* The profit sharing ratio and the investment ratio varies on case to case basis.

52.2 Following weightages have been assigned to different major products under the General pools during the year:

	Percentage to Total Mudaraba based Deposits		Maximum Weightage	Minimum Weightage	Maximum Weightage	Minimum Weightage
	2025	2024	2025	2025	2024	2024
PKR Pool						
Saving Accounts	37.20%	30.13%	0.46	0.20	0.41	0.37
Meezan Bachat Account	13.93%	13.63%	0.46	0.45	0.54	0.37
Karobarī Munafa Account	6.47%	6.83%	0.46	0.20	0.49	0.37
Certificate of Islamic Investment	3.82%	4.47%	0.79	0.53	0.88	0.22
Meezan Aamdān Certificate	1.56%	2.08%	0.67	0.53	0.89	0.56
USD Pool						
Saving Accounts	3.86%	4.24%	0.58	0.58	0.58	0.58
Certificate of Islamic Investment	0.88%	1.05%	1.23	0.60	0.85	0.60
GBP Pool						
Saving Accounts	0.28%	0.28%	0.27	0.27	0.27	0.27
EUR Pool						
Saving Accounts	0.16%	0.15%	0.27	0.27	0.27	0.27

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

52.3 Allocation of Income and Expenses to Depositors' Pools

Following are material items of revenues, expenses, gains and losses

	2025	2024
	Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	231,190,861	259,244,681
Other income (including other charges and interpool income)	5,428,858	10,365,910
Directly related costs attributable to pool	(3,499,710)	(1,899,525)

53. GENERAL

53.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated financial statements, wherever necessary to facilitate comparison.

53.2 The Group has been notified as a shariah compliant business by Pakistan Stock Exchange (PSX) vide Notice PSX/N-1419 dated December 26, 2025. Accordingly, the Group is required to make below additional disclosures.

The Group only enters into relation with conventional banks on need basis under Shariah compliant arrangement in line with Shariah Board guidelines. All local or Nostro accounts with conventional bank are non-remunerative accounts therefore no interest income is earned on them. As a policy the Group does not enter into any direct relationship with conventional insurers.

53.2.1 On liability side, the Group mainly raises funds through deposits, SBP / interbank acceptances and sub-ordinated sukuk. These amounts are based on islamic principles of Mudaraba, Musharakah, Qard etc. Outstanding position of these liabilities are as under:

	Note	2025	2024
		Rupees in '000	
Due to financial institutions	17	887,048,227	722,286,318
Deposits and other accounts	18	3,302,337,407	2,584,583,671
Sub-ordinated sukuk	20	16,990,000	20,990,000
		<u>4,206,375,634</u>	<u>3,327,859,989</u>

Total profit accrued against these liabilities during the year was Rs 168,027 million (2024: Rs 207,267 million). In accordance with shariah guidelines, no liability was raised through any conventional mode of financing / advance and thus no interest was accrued or paid.

53.1.2 On investment side, the Group has made investment in GoP shariah compliant securities (mainly sukuk and bai muajjal), privately placed corporate sukuk, listed and unlisted shariah compliant equities (including those of subsidiaries, associates and mutual funds). Further bank balances / placements (including those with foreign correspondent banks) have been held under islamic mode of placements. Outstanding position of these assets are as under:

	Note	2025	2024
		Rupees in '000	
Balance with State Bank of Pakistan and National Bank of Pakistan	7	274,593,554	202,200,874
Balances with other banks	8	15,439,064	13,290,726
Due from financial institutions	9	12,325,225	34,964,299
Investments	10	2,608,334,204	1,878,852,841
		<u>2,910,692,047</u>	<u>2,129,308,740</u>

Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

53.1.3 The Group neither deal in conventional derivative financial instruments nor provide any conventional loan / advance. Any amount recovered due to late payment is recognised and taken as charity payable by the holding company. Below are the details of revenue earned from shariah compliant businesses:

	Note	2025	2024
		Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	28	420,481,313	494,310,357
Fee and commission income	30	29,751,322	25,838,191
Dividend income		379,920	626,540
Foreign exchange income		5,478,364	828,507
Gain / (loss) on securities	31	989,329	3,511,916
Net loss on derecognition of financial assets measured at amortised cost	32	-	(186,473)
Other income	33	1,594,502	1,229,568
		458,674,750	526,158,606

54. NON-ADJUSTING EVENT

The Board of Directors of the Holding Company in their meeting held on February 09, 2026 has announced final cash dividend of Rs 7 per share (70%). The consolidated financial statements for the year ended December 31, 2025, do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2026.

55. DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on February 09, 2026 by the Board of Directors of the Holding Company.



Riyadh S. A. A. Edrees
Chairman



Dr. Syed Amir Ali
President &
CEO



Bader H.A.M.A. AlRabiah
Director



Tariq Mahmood Pasha
Director



Syed Imran Ali Shah
Chief Financial Officer

ANNEXURE I TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Statement showing written-off financing or any other financial relief (other than those against investments) of five hundred thousand rupees or above provided during the year ended December 31, 2025 as referred in note 11.9 to these consolidated financial statements. Financing written off in accordance with the policy do not in any way prejudice the Bank's right of recovery from the customer.

Rupees in '000

S. No.	Name and address of the borrower	Name of individuals / directors (with CNIC / Passport No)	Father's / Husband's Name	Outstanding liabilities at beginning of the year				Principal written-off	Profit waived	Other Financial relief provided	Total (9+10+11)
				Principal	Profit	Others	Total (5+6+7)				
1	2	3	4	5	6	7	8	9	10	11	12
1	Pioneer Distributors SC-42, Garden View, Stadium Road, Karachi	Anis Billoo 42201-6073437-5 Abdul Ghaffar Bangloria 42301-8276462-1 Zubaida Billoo 42000-0489044-4 Arif Billoo 42201-4959797-9	Umer Billoo Habib Bangloria Umar Billoo Umer Billoo	244,171	-	-	244,171	-	27,261	-	27,261
2	John Palmer Senior & Co 3/A Davis Road Lahore	Azhar Sarfaraz 35202-8965143-7	Ahmad Sarfaraz Khan	5,137	2,496	-	7,633	-	2,317	-	2,317
3	Abdul Qadeer Ahmed Medicare G.T Road, Qasba Gujrat, Tehsil Kot Addu, District Muzaffargarh	32303-0726089-7	Ahmad Baksh	3,793	7,228	125	11,146	-	3,964	126	4,090
4	Nadeem Shoukat Dakkhana Barki Barka, Khurd Tehsil, Lahore Cantt, Lahore	35201-2131413-1	Shoukat Ali	767	524	374	1,665	-	454	285	739
5	Muhammad Azeem House # 153, Zeenat Block, Allama Iqbal Town, Lahore	36302-0485278-5	Muhammad Afzaal Sheikh	1,444	794	341	2,579	-	-	2,501	2,501
6	Adnan Said Flat No 7 Block 2 PHA Street 132 G114 Islamabad	17101-8895913-7	Hazrat Ali	1,323	693	291	2,307	-	227	292	519
				256,635	11,735	1,131	269,501	-	34,223	3,204	37,427

Patterns of Shareholding

As of December 31, 2025

No. of Shareholders	From	No. of Shares To	'Shares held'	Percentage
21,374	1	100	721,685	0.0401
10,655	101	500	2,787,054	0.1548
3,673	501	1,000	2,856,999	0.1587
4,484	1,001	5,000	10,315,112	0.5729
888	5,001	10,000	6,502,538	0.3611
297	10,001	15,000	3,687,119	0.2048
203	15,001	20,000	3,625,578	0.2014
132	20,001	25,000	3,002,361	0.1667
106	25,001	30,000	2,937,688	0.1632
58	30,001	35,000	1,906,014	0.1059
50	35,001	40,000	1,878,261	0.1043
38	40,001	45,000	1,624,009	0.0902
49	45,001	50,000	2,376,983	0.1320
26	50,001	55,000	1,376,960	0.0765
26	55,001	60,000	1,506,710	0.0837
28	60,001	65,000	1,742,311	0.0968
18	65,001	70,000	1,205,569	0.0670
19	70,001	75,000	1,393,846	0.0774
13	75,001	80,000	1,013,615	0.0563
13	80,001	85,000	1,077,130	0.0598
8	85,001	90,000	709,287	0.0394
3	90,001	95,000	278,475	0.0155
31	95,001	100,000	3,077,087	0.1709
9	100,001	105,000	919,766	0.0511
13	105,001	110,000	1,400,082	0.0778
3	110,001	115,000	340,084	0.0189
12	115,001	120,000	1,403,980	0.0780
9	120,001	125,000	1,110,262	0.0617
6	125,001	130,000	762,628	0.0424
3	130,001	135,000	400,223	0.0222
4	135,001	140,000	554,765	0.0308
5	140,001	145,000	711,008	0.0395
7	145,001	150,000	1,038,675	0.0577
2	150,001	155,000	305,931	0.0170
4	155,001	160,000	633,560	0.0352
2	160,001	165,000	326,757	0.0181
8	165,001	170,000	1,343,991	0.0746
10	170,001	175,000	1,730,201	0.0961
5	175,001	180,000	889,763	0.0494
7	180,001	185,000	1,277,191	0.0709
5	185,001	190,000	945,653	0.0525
4	190,001	195,000	773,095	0.0429
10	195,001	200,000	1,986,746	0.1103
4	200,001	205,000	812,320	0.0451
3	205,001	210,000	624,175	0.0347
1	215,001	220,000	220,000	0.0122
4	220,001	225,000	891,450	0.0495
1	225,001	230,000	227,813	0.0127
2	230,001	235,000	461,230	0.0256
2	240,001	245,000	486,211	0.0270
9	245,001	250,000	2,245,025	0.1247
1	250,001	255,000	250,214	0.0139
1	255,001	260,000	255,208	0.0142
1	260,001	265,000	262,000	0.0146
1	265,001	270,000	269,717	0.0150
4	270,001	275,000	1,091,206	0.0606
3	275,001	280,000	832,109	0.0462
2	280,001	285,000	565,961	0.0314
1	285,001	290,000	288,150	0.0160
2	290,001	295,000	582,244	0.0323
3	295,001	300,000	897,080	0.0498
1	300,001	305,000	300,562	0.0167
2	305,001	310,000	616,353	0.0342
2	310,001	315,000	624,313	0.0347
2	320,001	325,000	645,652	0.0359
1	325,001	330,000	327,768	0.0182
2	330,001	335,000	662,743	0.0368
1	340,001	345,000	343,450	0.0191
1	345,001	350,000	350,000	0.0194
2	350,001	355,000	706,257	0.0392
1	355,001	360,000	359,471	0.0200
1	360,001	365,000	364,313	0.0202
2	370,001	375,000	747,000	0.0415
2	375,001	380,000	753,825	0.0419
1	380,001	385,000	380,060	0.0211
1	390,001	395,000	393,250	0.0218
7	395,001	400,000	2,800,000	0.1555
1	410,001	415,000	415,000	0.0230
3	415,001	420,000	1,248,799	0.0694
1	430,001	435,000	430,078	0.0239
1	435,001	440,000	435,875	0.0242
3	440,001	445,000	1,324,595	0.0736
3	445,001	450,000	1,349,632	0.0750
1	450,001	455,000	455,000	0.0253
3	460,001	465,000	1,388,385	0.0771
1	465,001	470,000	465,200	0.0258
1	470,001	475,000	474,300	0.0263
1	475,001	480,000	475,241	0.0264
1	480,001	485,000	481,900	0.0268
4	495,001	500,000	1,995,060	0.1108
1	500,001	505,000	505,000	0.0280
2	505,001	510,000	1,015,381	0.0564
2	510,001	515,000	1,028,500	0.0571
1	515,001	520,000	516,511	0.0287
1	520,001	525,000	524,012	0.0291
1	550,001	555,000	553,000	0.0307
2	560,001	565,000	1,128,922	0.0627
1	565,001	570,000	565,271	0.0314
2	585,001	590,000	1,175,378	0.0653
1	595,001	600,000	600,000	0.0333
3	600,001	605,000	1,806,661	0.1003
1	610,001	615,000	1,225,622	0.0681
1	645,001	650,000	650,000	0.0361
2	655,001	660,000	1,317,167	0.0732
2	660,001	665,000	1,323,970	0.0735

No. of Shareholders	From	No. of Shares To	'Shares held'	Percentage
1	675,001	680,000	675,676	0.0375
4	685,001	690,000	2,752,775	0.1529
1	690,001	695,000	692,815	0.0385
3	695,001	700,000	2,100,000	0.1166
1	705,001	710,000	709,372	0.0394
1	720,001	725,000	725,000	0.0403
1	730,001	735,000	733,653	0.0407
1	735,001	740,000	737,495	0.0410
1	755,001	760,000	757,102	0.0420
1	790,001	795,000	790,640	0.0439
1	805,001	810,000	809,018	0.0449
1	810,001	815,000	813,846	0.0452
1	835,001	840,000	837,900	0.0465
1	840,001	845,000	843,281	0.0468
2	865,001	870,000	1,737,694	0.0965
1	895,001	900,000	898,000	0.0499
1	945,001	950,000	950,000	0.0528
1	980,001	985,000	980,263	0.0544
2	985,001	990,000	1,978,774	0.1099
4	995,001	1,000,000	3,998,000	0.2220
2	1,010,001	1,015,000	2,023,801	0.1124
1	1,020,001	1,025,000	1,024,100	0.0569
1	1,035,001	1,040,000	1,036,358	0.0576
1	1,040,001	1,045,000	1,040,039	0.0578
2	1,050,001	1,055,000	2,108,934	0.1171
1	1,055,001	1,060,000	1,057,400	0.0587
1	1,080,001	1,085,000	1,081,927	0.0601
1	1,090,001	1,095,000	1,093,000	0.0607
1	1,110,001	1,115,000	1,112,339	0.0618
1	1,220,001	1,225,000	1,221,406	0.0678
3	1,250,001	1,255,000	3,753,709	0.2085
2	1,270,001	1,275,000	2,544,288	0.1413
1	1,290,001	1,295,000	1,291,950	0.0718
1	1,295,001	1,300,000	1,300,000	0.0722
1	1,300,001	1,305,000	1,301,852	0.0723
1	1,330,001	1,335,000	1,334,641	0.0741
1	1,355,001	1,360,000	1,357,294	0.0754
1	1,370,001	1,375,000	1,370,420	0.0761
3	1,390,001	1,395,000	4,180,019	0.2322
1	1,395,001	1,400,000	1,395,127	0.0775
1	1,440,001	1,445,000	1,441,548	0.0801
1	1,450,001	1,455,000	1,454,000	0.0808
1	1,455,001	1,460,000	1,459,184	0.0810
1	1,520,001	1,525,000	1,525,000	0.0847
1	1,550,001	1,555,000	1,553,734	0.0863
1	1,570,001	1,575,000	1,572,292	0.0873
1	1,585,001	1,590,000	1,588,722	0.0882
1	1,640,001	1,645,000	1,644,219	0.0913
1	1,655,001	1,660,000	1,657,431	0.0921
1	1,680,001	1,685,000	1,684,001	0.0935
1	1,695,001	1,700,000	1,695,650	0.0942
2	1,705,001	1,710,000	3,418,502	0.1899
1	1,725,001	1,730,000	1,727,239	0.0959
1	1,735,001	1,740,000	1,737,298	0.0965
1	1,795,001	1,800,000	1,795,722	0.0997
1	1,825,001	1,830,000	1,827,194	0.1015
1	1,840,001	1,845,000	1,842,048	0.1023
1	1,870,001	1,875,000	1,874,400	0.1041
2	1,900,001	1,905,000	3,807,945	0.2115
1	1,910,001	1,915,000	1,910,640	0.1061
1	1,995,001	2,000,000	2,000,000	0.1111
1	2,040,001	2,045,000	2,040,661	0.1133
1	2,090,001	2,095,000	2,093,161	0.1163
1	2,095,001	2,100,000	2,100,000	0.1166
1	2,180,001	2,185,000	2,185,000	0.1214
1	2,205,001	2,210,000	2,208,493	0.1227
1	2,220,001	2,225,000	2,224,664	0.1236
1	2,240,001	2,245,000	2,240,388	0.1244
1	2,245,001	2,250,000	2,250,000	0.1250
1	2,295,001	2,300,000	2,298,600	0.1277
1	2,305,001	2,310,000	2,308,741	0.1282
2	2,380,001	2,385,000	4,765,381	0.2647
1	2,435,001	2,440,000	2,437,332	0.1354
1	2,680,001	2,685,000	2,681,365	0.1489
1	2,695,001	2,700,000	2,697,794	0.1498
1	2,760,001	2,765,000	2,761,470	0.1534
1	2,955,001	2,960,000	2,960,000	0.1644
1	2,970,001	2,975,000	2,972,069	0.1651
1	3,050,001	3,055,000	3,051,674	0.1695
1	3,060,001	3,065,000	3,062,642	0.1701
1	3,485,001	3,490,000	3,486,087	0.1936
1	3,565,001	3,570,000	3,567,918	0.1982
1	3,570,001	3,575,000	3,573,284	0.1985
1	3,655,001	3,660,000	3,655,399	0.2030
1	3,700,001	3,705,000	3,704,212	0.2057
1	3,850,001	3,855,000	3,854,779	0.2141
1	3,855,001	3,860,000	3,857,241	0.2142
1	3,970,001	3,975,000	3,974,744	0.2208
1	4,005,001	4,010,000	4,008,303	0.2226
1	4,040,001	4,045,000	4,042,106	0.2245
1	5,120,001	5,125,000	5,120,433	0.2844
1	5,260,001	5,265,000	5,263,974	0.2924
1	5,570,001	5,575,000	5,574,856	0.3096
1	5,580,001	5,585,000	5,584,234	0.3101
1	5,965,001	5,970,000	5,966,731	0.3314
1	6,550,001	6,555,000	6,554,059	0.3640
1	8,425,001	8,430,000	8,427,315	0.4680
1	8,500,001	8,505,000	8,500,182	0.4721
1	10,815,001	10,820,000	10,816,155	0.6007
1	13,090,001	13,095,000	13,091,032	0.7271
1	14,685,001	14,690,000	14,686,725	0.8157
1	69,995,001	70,000,000	70,000,000	3.8877
1	166,860,001	166,865,000	166,863,457	9.2673
1	536,885,001	536,890,000	536,887,288	29.8179
1	630,815,001	630,820,000	630,819,684	35.0347
Total	42,567	Company Total	1,800,554,852	100.0000

Categories of Shareholders

For The Year Ended December 31, 2025

Particulars	Number of Shareholders	Shares held	Percentage	Number of Shareholders	Shares held	Percentage
	2025			2024		
Directors, Chief Executive, their spouse and minor children	7	15,118,956	0.84%	6	14,966,472	0.83%
Associated Companies, undertakings and related parties	13	1,353,117,704	75.15%	14	1,347,655,036	75.09%
Banks, Development Financial Institutions and Non Banking Finance Companies	21	10,953,725	0.61%	20	9,271,113	0.52%
Insurance Companies	21	82,231,932	4.57%	20	84,841,016	4.73%
Modaraba and Mutual Funds	75	50,721,438	2.82%	66	29,529,695	1.65%
General Public						
a.Local	37,049	122,948,793	6.83%	13,989	98,528,576	5.49%
b.Foreign	4,963	21,558,600	1.20%	2,258	19,932,717	1.11%
Others (+ Foreign Companies)	418	143,903,504	7.99%	365	190,016,089	10.59%
Total	42,567	1,800,554,652	100.00%	16,738	1,794,740,714	100.00%

Additional Information as at December 31, 2025

Particulars	Number of Shareholders	Shares held	Percentage	Number of Shareholders	Shares held	Percentage
	2025			2024		
Associated Companies & Shareholders						
Noor Financial Investment Co.	1	630,819,684	35.03%	1	630,819,684	35.15%
Pakistan Kuwait Investment Co. (Pvt.) Ltd.	1	536,887,288	29.82%	1	536,887,288	29.91%
Islamic Development Bank	1	166,863,457	9.27%	1	166,863,457	9.30%
CDC Trustee Meezan Islamic Fund	1	10,816,155	0.60%	1	8,269,520	0.46%
CDC Trustee Meezan Balanced Fund	1	440,671	0.02%	1	200,744	0.01%
CDC Trustee Meezan Dadicated Equity Fund	1	148,388	0.01%	1	32,843	0.00%
CDC Trustee Meezan Asset Allocation Fund	1	198,351	0.01%	1	48,698	0.00%
CDC - Trustee Al Meezan Mutual Fund	1	3,567,918	0.20%	1	1,465,284	0.08%
CDC - Trustee KSE Meezan Index Fund	1	1,112,339	0.06%	1	1,732,391	0.10%
CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	1,588,722	0.09%	1	1,023,222	0.06%
CDC - Trustee Meezan Pakistan Exchange Traded Fund	-	-	-	1	89,452	0.00%
CDC - Trustee MDAAF - Meezan Dividend Yield Plan	1	180,251	0.01%	1	13,748	0.00%
Crescent Steel and Allied Products Ltd.	1	450,000	0.02%	1	164,225	0.01%
Pakistan Centre for Philanthropy	1	44,480	0.00%	1	44,480	0.00%
Directors, Chief Executive, their spouse and minor children						
Mr. Irfan Siddiqui	1	5,966,732	0.33%	1	5,848,399	0.33%
Mr. Mohammad Abdul Aleem	1	689,494	0.04%	1	689,494	0.04%
Ms. Nausheen Ahmad	1	764	0.00%	1	764	0.00%
Mr. Abdulrazzaq T.A.M. Razooqi	1	500	0.00%	1	500	0.00%
Dr. Syed Amir Ali*	1	34,151	0.00%	-	-	-
Executives	621	4,500,714	0.25%	354	2,255,616	0.13%
Public Sector Companies, Corporations, Banks, DFIs, NBFCs, Insurance Companies, Modaraba, Mutual Funds and other Organizations	535	287,810,599	15.98%	471	313,657,913	17.48%
General Public	41,393	148,433,994	8.24%	15,895	124,632,992	6.94%
	42,567	1,800,554,652	100.00%	16,738	1,794,740,714	100.00%

*He assumed the position of President & CEO with effect from December 30, 2025.

Glossary

AAOIFI

Accounting and Auditing Organization for Islamic Financial Institutions.

Al-'Aqd

Contract

Al-Bai

A contract of sale which is exchange of thing of value with another thing of value with mutual consent.

Al-Bai' Al-Mu'ajjal

It is a contract of sale in which the seller allows the buyer to pay the price of a commodity at a future date in lump sum or in instalments.

Al-'Ijtihad

Endeavour of an Islamic jurist to derive or formulate a rule of law pertaining to a matter not explicitly mentioned in the Shariah sources.

Al-Kafalah

A contract of surety in which a person adds to his responsibility or liability on behalf of another person in respect of a demand for a loan or debt.

Bai' Al-Dain

Sale of debt.

Bai' Al-'Inah

A contract of sale, where a person sells an asset on credit and then buys back at a less price for cash.

Bai' Al-'Istijrah

A form of sale whereby the buyer keeps on taking the goods from the seller as and when needed without settling the price and then settles the account later on.

Bai' Al-Murabahah

Sale of goods with an agreed price by disclosing cost and profit.

Bai' Al-Musawamah

Sale of goods at a negotiated price without mentioning the cost to the buyer.

Bai Al-Salam

It is a kind of sale of specified homogenous goods in which full payment is in advance spot while the delivery of goods is deferred to a future date.

Bai' Al-Tawliyah

A contract of sale in which the seller agrees to sell a product at his cost by disclosing the cost.

Bai' Al-Wad'iyah

A sales contract in which a seller informs the buyer his actual cost and then gives a further discount on it.

Charity

Means monetarily helping those in need. In IBIs in order to mitigate the risk of delayed payment customer undertakes to pay an amount to IBI as charity in case of delay in payment which the IBI shall donate on behalf of the customer.

Diminishing Musharakah

It is a financing product being practiced by IBIs in which Bank and customer participate in joint ownership of a property. The share of the bank is divided into number of units and the units owned by the Bank are rented to the customer. Customer purchases these units from bank at periodic intervals, thereby increasing his/her share in the undivided property until all the units are purchased by the customer.

Fatwa

A decree by a competent Shariah scholar qualified to issue decrees (mufti) on a matter giving an opinion about the position of a matter in the light of the Shariah rules and principles.

Gharar

It means any element of absolute or excessive uncertainty in a contract

Hiba

Gift/Transfer of ownership of an asset without any consideration.

Ijara/Ijarah

Letting on lease; technically, sale of a definite usufruct in exchange for a definite reward; commonly used for wages. It also refers to a mode of financing adopted by Islamic banks. It is an arrangement under which an Islamic bank leases equipment, a building etc. to a client against an agreed rental for a definite period.

Ijma'

Consensus of the Islamic jurists (mujtahidin) on a certain Shariah issue. after the demise of the Holy Prophet (P.B.U.H.)

Islamic Banking

Banking in consonance with the ethics and value system of Islam as compared to conventional banking that conducts its business of borrowing and lending on the basis of interest.

Islamic Credit Card

It is a Shariah-compliant credit card whereby no riba is involved.

Istisna'a/Istisna

It is a kind of sale where a purchaser orders to a manufacturer to manufacture a specific commodity for the purchaser. It is necessary for the validity of Istisna that the price is fixed with the consent of the parties and that necessary specification of the commodity (intended to be manufactured) is fully settled between them.

Mudarabah

An agreement between two or more persons whereby one or more of them provide finance, while the other provides entrepreneurship and management to carry on the business venture whether trade, industry or service, with the objective of earning profits. They share the profit in an agreed proportion. The loss is borne only by the financier(s) in proportion to their share in total capital.

Mudarabah Al-Muqayyadah

A contract of Mudarabah in which certain conditions like place, season, commodities, credit and techniques of trade are stipulated by the provider of the capital (rabb al-mal).

Mudarabah Al-Mutlaqah

A contract of Mudarabah that does not bind the mudarib about the place, time, season, commodities, credit or techniques of trade.

Mudarib

A working partner; the partner who provides entrepreneurship and management in a Mudarabah agreement.

Musha'

Undivided ownership of two or more persons in an asset.

Parallel istisna

If the seller, after entering into a Istisna contract with buyer, enters into another separate and independent Istisna contract with a third party to manufacture goods of same specification then this arrangement is called Parallel Istisna

Parallel Salam

If the seller, after entering into a Salam contract with buyer, enters into another separate and independent Salam contract with a third party to acquire goods of same quality then this arrangement is called Parallel Salam.

Qard Al-Hasan

A loan with the stipulation to return the principal sum in the future without any increase.

Qimar

Qimar means gambling. Technically, it is an arrangement in which possession of a property is contingent upon the happening of an uncertain event.

Qiyas

To apply a recognized rule of Shariah expressly mentioned in the Holy Quran and Sunnah to a similar situation by way of analogy.

Rabb-ul-Maal

A person who invests capital in a Mudarabah.

Rahn

To pledge or lodge a real or corporeal property of material value, in accordance with the law, as security for a debt or financial obligation, so as to make it possible for the creditor to regain the debt or some portion of the goods or property in case of default.

Riba

Any monetary or non-monetary agreed benefit to the lender on a contract of loan

Shariah Audit

Audit of the operations of an Islamic financial institution to assess the extent to which the institution adhered to the requirements of the Shariah.

Shariah Board

Committee of Islamic scholars in Islamic Banks for guidance and supervision and whose decisions are binding upon the bank.

Shariah

Shariah means a pathway to be followed and can further be explained as a set of divine injunctions and laws that regulates every aspect of human beings in their individual and collective lives.

Shariah-compliant

An act or activity that complies with the requirements of the Shariah, or Islamic law.

Shirkah al-'aqd

A joint enterprise formed for conducting some business in which all the partners share the profit according to a specific ratio while the loss is shared according to the ratio of contribution.

Shirkah al-milk

It means joint ownership of two or more persons in a particular property without commercial intention.

Sukuk/ Sukook

Sukuk are certificates of equal value representing undivided shares in ownership of tangible asset, usufruct and services or (in the ownership of) the assets of particular projects or special investment activity.

Takaful

Islamic Insurance. A scheme of mutual support based on Islamic concept of waqf, wakalah or Mudarabah that provides insurance to individuals against hazards of falling into unexpected and dire need.

Tabarru'

It is a gift, the basic purpose of which is to seek the pleasure of Allah

Tijarah Financing

Sale & Agency based financing facility for customers who sell finished goods on credit basis. This facility enables customers to sell their finished goods stock to the Bank to meet their working capital requirements and enjoy the benefits of cash sales.

Wakalah

A contract of agency in which one person appoints someone else to perform a certain task on his behalf, usually against a certain fee.

Waqf

In Arabic language the word Waqf means preventing something from movement. In Shariah terminology, Waqf refers to making a property invulnerable to any disposition that leads to transfer of ownership and donating the usufruct of that property to beneficiaries.

Zakah (zakat)

A certain portion of wealth levied on Muslims having wealth above an exemption limit (nisab) at a rate fixed by the Shariah to purify wealth. Zakat is one of the five pillars of Islam. The objective is to take away a part of the wealth of the well-to-do and to distribute it among the poor and the needy.

Notice of 30th Annual General Meeting

Notice is hereby given that the 30th Annual General Meeting of the Members of Meezan Bank Limited (the 'Bank') will be held Insha'Allah on **Friday, March 27, 2026 at 10:00 a.m.** at Meezan House C-25, Estate Avenue, SITE, Karachi, Pakistan, (physical and virtual meeting) to transact the following business:

ORDINARY BUSINESSES

1. To confirm the minutes of the 29th Annual General Meeting held on March 27, 2025.
2. To receive, consider and adopt the Annual Audited Accounts of the Bank, Audited Consolidated Accounts for the year ended December 31, 2025, together with the Auditors' Report, Directors' Report and Chairman's Review Report 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 can be accessed through the following weblink and QR enabled code.

<https://www.meezanbank.com/financial-information/#Financial-Report>



3. To appoint auditors of the Bank for the year ending December 31, 2026 and to fix their remuneration. The present auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.
4. To consider and, if thought fit, approve as recommended by the Board of Directors, final cash Dividend at the rate of Rs 7/- per share i.e. 70% in addition to Rs 21/- per share, i.e. 210% interim Cash Dividend already declared/paid for the year December 31, 2025.

SPECIAL BUSINESS

5. To consider and, if thought fit, approve the Directors' Remuneration Policy of the Bank and to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the revised limits notified by the State Bank of Pakistan, the shareholders hereby approve the maximum ceiling for fee payable to Directors for attending meetings of the Board of Directors and its Committees at up to Rs. 1,200,000/- per meeting, with the Chairman being entitled to receive up to 20% higher.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to determine, fix, revise, and approve from time to time the actual fee amounts payable for attendance at meetings of the Board and its Committees, within the aforesaid approved ceiling, without requiring any further approval of the shareholders, subject always to compliance with applicable laws and regulatory requirements.

FURTHER RESOLVED THAT the fee amounts currently payable shall continue to remain in effect unless and until revised by the Board pursuant to the authority hereby granted."

6. To transact any other business with the permission of the Chair.

By Order of the Board



Muhammad Sohail Khan
Company Secretary

Karachi
February 9, 2026

Notes:

1. Closure Of Share Transfer Books

The Members' Register will remain closed from March 17, 2026 to March 27, 2026 (both days inclusive). Transfer received at the Share Registrar office, by the close of business on March 16, 2026 will be treated in time for the purpose of entitlement to receive the 70% cash dividend and attend, vote and speak in the 30th Annual General Meeting.

2. Prohibition Regarding Distribution of Gifts

In Compliance with Section 185 of Companies Act, 2017 and SECP directives vide S.R.O. 452(I)/2025 Dated March 17, 2025, No Gifts, Cash, Coupons/Vouchers or any other Form of Gift will be distributed at the 30th Annual General Meeting.

3. Requirements to attend the AGM through Video-Link

- As per SECP circular 4 of 2021 dated February 15, 2021, the Bank is providing a video link facility for participation in the AGM. This facility is in addition to holding a physical AGM at a designated venue. Members or their proxy holders who wish to attend the AGM through the video link are required to register themselves by providing the following information, along with a valid CNIC/Passport (both sides) copy, board resolution, or power of attorney as applicable, via email at agm@meezanbank.com, by the close of business hours (05:00 PM) on Tuesday, March 24, 2026.

Name of Shareholders/Proxy	CNIC / Passport No.	Folio No./CDC Participant ID No.	Cell No.	Email Address

- Link to video connectivity will be sent to the shareholders on their e-mail addresses after necessary verification from the records.
 - Shareholders will be able to log in and participate in the Annual General Meeting proceedings through their smartphones or computer devices.
 - The login facility will be available from 09:50 A.M. till the end of the Annual General Meeting on March 27, 2026, enabling the participants to join the proceedings which will start at 10:00 A.M. sharp, Insha'Allah.
 - In addition to the above, Shareholders can also give their suggestions/comments on the proposed agenda of the Annual General Meeting by e-mailing at the designated e-mail address agm@meezanbank.com
4. Copies of the minutes of the 29th Annual General Meeting held on March 27, 2025, of Meezan Bank Limited, are available for inspection by Members as required under Section 152 of the Companies Act, 2017.

5. GUIDELINES FOR CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) INVESTOR ACCOUNT HOLDERS

CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

For attending the General Meeting

- A member entitled to attend the Annual General Meeting may appoint any other person as his/her proxy to attend the meeting through video-link. A proxy form is enclosed.
- In case of individuals, the account holder or sub-accountholder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the Annual General Meeting.
- In case of a 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 the Annual General Meeting.

6. Video Conference Facility for Attending General Meetings

If the Bank receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 07 days prior to the date of the Annual General Meeting, the Bank will arrange a video conference facility in that city subject to availability of such facility in that city.

To avail this facility, a request to be submitted to the registered address of the Bank 07 days before holding of the Annual General Meeting.

7. Postal Ballot / E-Voting Facility

Members may exercise their right to vote by means of postal ballot, i.e. by post or through electronic mode subject to the requirements of section 143 and 144 of the Companies Act, 2017.

Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purposes of Special Business, members will be allowed to exercise their right to vote through postal ballot /electronic mode in accordance with the requirement and procedures contained in the aforesaid Regulations. The schedule and procedure of postal ballot/electronic voting shall be placed on Meezan Bank's website which may accessed at the following link seven (7) days before the meeting.

<https://www.meezanbank.com/investor-relations/#doc>

8. Availability Of Annual Accounts On Bank's Website

As required under Section 223 (7) of the Companies Act 2017, audited Financial Statements of the Bank have been uploaded on website of the Bank which can be downloaded from the Bank's website: www.meezanbank.com

Furthermore, in accordance to the S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Bank can also be accessed through the weblink and QR enabled code mentioned in agenda No. 2.

9. TRANSMISSION OF ANNUAL REPORTS THROUGH E-MAIL

The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 389(I)/2023 dated March 21, 2023 has provided an option for shareholders to receive Annual Report along with the notice of Annual General Meeting electronically through E-mail and in hard copy. Hence, members who are interested in receiving the Annual Reports and notice of Annual General meeting electronically in future are requested to send their request on the prescribed form placed on the Bank's website, which can be accessed from the following link, to the Bank's Share Registrar.

<https://www.meezanbank.com/investor-relations/#doc>

THE FOLLOWING CIRCULARS / NOTIFICATIONS REQUIRE SPECIAL ATTENTION OF THE SHAREHOLDERS:

10. PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE (E-DIVIDEND) - MANDATORY

Under section 242 of the Companies Act, 2017, and Regulation No. 4 of the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive dividend directly into the bank account, shareholders are requested to fill the 'E-Dividend Mandate Form' available on Bank's website and send it duly completed and signed along with a copy of his / her valid CNIC to the Bank's Share registrar, THK Associates (Pvt.) Ltd., Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi -75500, Pakistan UAN 111-000-322.,(in case of physical shares).

In case shares are held in CDC then the 'E-Dividend Mandate Form' must be submitted directly to shareholder(s)'broker/participant/CDC account services.

Shareholders can directly register for e-Dividend Services by visiting CDC Portal: <https://csp.cdcaccess.com.pk/#/login>

E-Dividend Mandate Form

Folio Number/CDC Sub Account Number	
Name of Shareholder	
Title of the Bank Account	
International Bank Account Number (IBAN)	
Name of Bank	
Branch Name, Branch Code, Address	
Cell and Landline number	
CNIC/ Passport No. (Attach copy)	
Signature of Shareholder	

11. SUBMISSION OF VALID CNIC COPY (MANDATORY)

In terms of Regulation No. 06 of the Companies (Distribution of Dividends) Regulations, 2017 read with Section 243(3) of the Companies Act, 2017, listed Companies are entitled to withhold payment of dividend, if shareholders have not provided copies of their valid Computerized National Identity Cards (CNIC)/ Passport Number as well as complete and valid details of designated bank accounts (IBAN) for direct credit of cash dividend.

The shareholders are therefore requested to submit a copy of their valid CNIC/NTN/Passport Number within ten (10) days from the date of this Notice to the Bank's Registrar and shareholder(s)'broker/participant/CDC account services (as the case may be). In case the same have already been provided, then these instructions may be ignored.

The shareholders while sending copies of their CNICs must quote their respective folio numbers and names for identification purpose.

12. TAX IMPLICATION ON DIVIDENDS

The Government of Pakistan has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies/banks. These rates are as per law.

To enable the Bank to make tax deduction on the amount of Cash Dividend, all the members whose names are not entered into the Federal Board of Revenue's (FBR) Active Tax-Payers List (ATL), despite the fact that they are tax return filers, are advised to make sure that their names are entered into ATL, before the date of book closure for cash dividend; otherwise, tax on their cash dividend will be deducted as non-filer.

13. TAX ON JOINT SHAREHOLDING

All shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Shares Registrar, in writing as follows:

Folio/CDS	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The required information must reach our Shares Registrar by the close of business (03:00 p.m.) on March 16, 2026 otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s) and tax will be deducted according to the proportionate holding of each shareholder as clarified by the FBR vide its clarification letter No. I(54) Exp/2014-132872-R, dated September 25, 2014.

14. TAX EXEMPTION CERTIFICATE

Shareholders claiming tax exemption under clause 47(B) of Part IV of the Second Schedule of Income Tax Ordinance, 2001 are requested to provide a valid exemption certificate under section 159 (1) of the Income Tax Ordinance, 2001 latest by March 16, 2026, to our Shares Registrar before the date of Book closure as required vide FBR clarification letter No. I(43) D.G. (W.H.T.) / 2008-Vol.II-66417-R dated May 12, 2015.

15. INTIMATION OF CHANGE OF ADDRESS AND DECLARATION OF NON-DEDUCTION OF ZAKAT

Members are requested to immediately notify regarding the change, if any, in their registered and/or e-mail addresses, in writing, and their declaration for the non-deduction of Zakat (if applicable), to the Share Registrar and Transfer Agent of the Bank i.e. THK Associates (Pvt.) Ltd., Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi -75500, Pakistan, UAN 111-000-322 (in case of Physical scrips) whereas Members/CDC Account holders are requested to contact their CDC Participant/CDC Account Services for the same, but no later than close of business hours (03:00 p.m.) on March 16, 2026.

16. 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 the listed companies to adhere with the provisions of section 72 of the Companies Act, 2017 (the 'Act') by replacing shares issued by them in Physical Form with the shares to be issued in the Book-Entry Form. Meezan Bank Limited (the 'Bank'), being a listed company is also required to comply with aforesaid provisions of Act.

The shareholders of Meezan Bank Limited having physical folios/share certificates are requested to convert their shares from physical form into Book Entry Form as soon as possible. The shareholders may contact their Broker, a PSX Member, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent induction of the physical shares into Book Entry Form.

It would facilitate the shareholders in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for the issuance of duplicate shares and readily available for sale and purchase in open market at better rates. The shareholders of Bank may contact the Share Registrar and Transfer Agent of the Bank, namely THK Associates (Pvt.) Limited at the following address for the conversion of physical shares into Book-Entry Form.

THK Associates (Pvt.) Limited,
Plot No. 32-C, Jami Commercial, Street 2, D.H.A,
Phase VII, Karachi -75500. Tel # 021-353101091-6
UAN: 021-111-000-322
Email: secretariat@thk.com.pk and sfc@thk.com.pk

17. Unclaimed Dividends / Shares

The shareholders are hereby informed that in accordance with section 244 of the Companies Act, 2017 and the unclaimed shares, Modaraba certificates, Dividend, other instruments and undistributed Assets Regulations, 2017, the companies are required to deposit cash dividends to the credit of the Federal Government and shares to the Commission, which are undelivered/unclaimed for a period of three (3) years or more from the date it is due and payable.

The details of unclaimed dividends, undelivered bonus, and right shares are available on the Bank's website, which can be accessed at <https://www.meezanbank.com/unclaimed/>

STATEMENTS OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESS

This statement sets out the material fact concerning the resolution contained in agenda No. 5 of Notice pertaining to the special business to be transacted at the Annual General Meeting of the Bank to be held on March 27, 2026.

AMENDMENTS IN DIRECTORS' REMUNERATION POLICY

The State Bank of Pakistan, vide BPRD Circular Letter No. 24 of 2025 dated December 12, 2025, has revised Regulation G-14(2)(v) of the Corporate Governance Regulatory Framework (CGRF), whereby the maximum limits of remuneration payable to Directors for attending Board and Committee meetings have been enhanced.

In compliance with the said SBP Circular revised the Board of Directors of the Bank, in its meeting held on February 9, 2026, recommended the revision of the fee structure to align the Directors' Remuneration Policy with the revised SBP instructions, subject to shareholders' approval.

In order to determine the actual scale of remuneration, the shareholders of the Bank are requested to grant approval and authorize the Board of Directors to determine, fix, revise, and approve, from time to time, the actual fee amounts payable for attendance at meetings of the Board and its Committees, within the SBP-prescribed limits, without seeking further approval of the shareholders, subject to compliance with applicable laws and regulatory requirements.

The existing Directors' remuneration fee was last approved by the shareholders at the 24th Annual General Meeting held on March 26, 2020. The revised regulatory limits prescribed by the State Bank of Pakistan require an update to the said fee to ensure fair and reasonable compensation. Other than the revision in the fee scale which is within the SBP-prescribed limits, no change has been made in the said policy. A complete Directors' Remuneration Policy is available on the Bank's website which may be accessed on the following link

<https://www.meezanbank.com/investor-relations/#doc>

In order to align the policy with the said SBP BPRD Circular Letter, the shareholders of the Bank are requested to approve the proposed amendments in the remuneration policy.

The non-executive directors are interested in the payment of remuneration, whereas the President & CEO, being a Deemed Director of the Board, has no interest in the matter.

Meezan Bank Limited

E-Dividend Mandate Form

According to Section 242 of Companies Act, 2017 and Circular No. 18/2017 dated August 1, 2017 issued by Securities and Exchange Commission of Pakistan (SECP), from November 1, 2017 all listed companies are to pay dividend only through electronic mode directly into the bank accounts designated by the entitled shareholders.

In view of above, Shareholder(s) are advised to provide their complete bank account / IBAN detail as per format given below required under clause 7,8 and 9 (ii) of the Companies (Distribution of Dividends) Regulations, 2017 issued under S.R.O.1145 (I) / 2017 dated November 06, 2017 by SECP enabling us to comply with the above Section/Circular.

For physical Shareholder(s):

THK Associates (Pvt) Limited, Plot No. 32-C Jami Commercial Street 2, DHA, Phase VII, Karachi-75500, Pakistan.

For CDC Account holder(s)

In case of CDC account holder / Sub-account holder, please provide said details to CDC / to respective member Stock Exchange.

Company Secretary

E-Dividend Mandate Details

It is requested that all my cash dividend amounts declared by the Bank may be credited into the following bank account:

Folio Number / CDC Participants ID A/c No.	
Name of Shareholder(s)	
Title of the Bank Account	
Bank Account Number (Complete) / IBAN	
Bank's Name, Branch Name, Branch Code and Address	
Cell Number	
Landline Number, if any	
Email Address	
CNIC Number/ Passport Number (in case of foreign Shareholder) (attach copy)	
It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar/Participant/CDC Investor Account Services as soon as these occur.	
Signature of Shareholder (Please affix company stamp in case of a corporate entity) Note: Please provide complete IBAN, after checking with your concerned bank branch to enable electronic credit directly into your bank account. The payment of cash dividend will be processed on the basis of the IBAN alone. Meezan Bank is entitled to rely on the IBAN information as per your instructions (provided by you). The Bank shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and /or due to any event beyond the control of the Bank.	

میزان بینک لمیٹڈ

ای ڈیویڈنڈ مینڈیٹ فارم

کمپنیز ایکٹ، 2017 کی شق 242 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 18/2017 بتاریخ یکم اگست، 2017 کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت کی گئی ہے کہ یکم نومبر، 2017 کے بعد سے ادا ہونے والے ڈیویڈنڈ کی رقم الیکٹرانک طریقہ کار سے براہ راست شیئر ہولڈرز کی طرف سے فراہم کردہ بینک اکاؤنٹ میں منتقل کی جائے۔

درج بالا ہدایات کے پیش نظر، آپ سے گزارش کی جاتی ہے کہ اپنے مکمل ”انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN)“ کی تفصیل درج ذیل نمونہ کے مطابق کمپنی کو فراہم کریں۔ جس کی ہدایت 6 نومبر، 2017 کو SECPC نے جاری کردہ SRO 1145(I)/2017 میں Companies (Distribution of Dividends) Regulations, 2017 کے مطابق کی ہے، تاکہ ہم درج بالا شق پر عمل پیرا ہو سکیں۔ سی ڈی سی اکاؤنٹ ہولڈر/سب اکاؤنٹ ہولڈر یہ تفصیل متعلقہ ممبر اسٹاک ایکسچینج کو مہیا کریں۔ 7، 8 اور 9(ii) کے مطابق

فریکل شیئر ہولڈرز کے لئے نی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ 2، ڈی ایچ اے، فیڑ VII، کراچی-75500، پاکستان
سی ڈی سی اکاؤنٹ ہولڈرز کے لئے اگر آپ سی ڈی سی اکاؤنٹ ہولڈر/سب اکاؤنٹ ہولڈر ہیں تو برائے مہربانی نیچے دی گئی تفصیلات سی ڈی سی/اسٹاک ایکسچینج کے معزز ممبر کو فراہم کریں۔

کمپنی سیکریٹری

ای ڈیویڈنڈ مینڈیٹ کی تفصیل:

درخواست کی جاتی ہے کہ بینک کی جانب سے اعلان کردہ میرے ڈیویڈنڈ کی تمام رقم مندرجہ ذیل بینک اکاؤنٹ میں منتقل کی جائے:

فولیو نمبر/سی ڈی سی پارٹیشن آئی ڈی نمبر:	
شیئر ہولڈر کا نام:	
بینک اکاؤنٹ جس نام سے ہے:	
مکمل بینک اکاؤنٹ نمبر (IBAN):	
بینک کا نام، برانچ کا نام، کوڈ اور پتہ:	
موبائل نمبر:	
فون نمبر (اگر ہے):	
ای میل:	
کمپیوٹرائزڈ شناختی کارڈ نمبر/ پاسپورٹ نمبر (اگر غیر ملکی شیئر ہولڈر ہوتو) (کا پی منسلک کریں):	

بیان کیا جاتا ہے کہ درج بالا معلومات درست ہیں، اور یہ کہ میں درج بالا معلومات میں کوئی بھی تبدیلی واقع ہونے کی صورت میں کمپنی اور متعلقہ شیئر رجسٹرار/پارٹیشن/سی ڈی سی انویسٹر اکاؤنٹ سروسز کو فوری طور پر مطلع کروں گا/گی۔

دستخط شیئر ہولڈر

(برائے مہربانی کارپورٹ ادارے کی صورت میں کمپنی کی ہر جہت کریں)

نوٹ: برائے مہربانی اپنے اکاؤنٹ میں براہ راست الیکٹرانک کریڈٹ کا اہل بننے کے لئے اپنا مکمل IBAN اپنی متعلقہ بینک برانچ سے تصدیق کے بعد فراہم کریں۔

نقد ڈیویڈنڈ کی ادائیگی کی کارروائی صرف IBAN کی بنیاد پر کی جائے گی۔ میزان بینک کو صرف آپ کی ہدایات کے مطابق IBAN کی (آپ کی جانب سے فراہم کردہ) معلومات پر انحصار کرنے کا اختیار ہے۔ میزان بینک اس معاہدہ کے تحت اپنی کسی بھی ذمہ داری کی ادائیگی میں غلطی، تاخیر یا ناکامی کی وجہ سے بلا واسطہ یا واسطہ ہونے والے کسی بھی ضرر، نقصان، ذمہ داری یا دعوئی کے لئے جوابدہ نہیں ہوگا اگر یہ آپ کی جانب سے ادائیگی کی غلط ہدایات اور/یا بینک کے کنٹرول سے باہر کسی واقعہ کی وجہ سے پیش آئے ہوں۔



Meezan Bank
The Premier Islamic Bank

FORM OF PROXY

The Company Secretary
Meezan Bank Limited
Meezan House
C-25, Estate Avenue S.I.T.E,
Karachi, Pakistan.

I/We _____ of _____ being a member(s) of Meezan Bank Ltd. and holder of _____ ordinary shares as per Share Register Folio No. _____ and/or CDC Investor Account No. / Participant I.D No. _____ and Sub Account No. _____ do hereby appoint _____ of _____ or failing him/her _____ as my/our proxy to attend, speak, vote and act for me/us on my/our behalf at the 30th Annual General Meeting of Meezan Bank Ltd. to be held on Friday, March 27, 2026 at 10:00 a.m. at Meezan House, C-25, Estate Avenue, S.I.T.E., Karachi, Pakistan and at any adjournment thereof.

Signed this _____ day of _____ 2026.

Please affix
revenue
stamp of
appropriate
value

Signature of Member(s)/Attorney
The Signature should agree
with the specimen registered
with the Company

Witness 1

Signature: _____

Name: _____

Address: _____

CNIC or Passport No: _____

Witness 2

Signature: _____

Name: _____

Address: _____

CNIC or Passport No: _____

NOTES:

- Proxies in order to be effective must be received by the Company not later than 48 hours before the time of the meeting.
- A member entitled to attend and vote at the Meeting may appoint another person as his/her proxy to exercise all or any of his rights to attend, speak and vote for him/her.
- Members are required to timely notify any change in their address to Bank's Shares Registrar THK Associates (Pvt.) Ltd. Plot No. 32-C Jami Commercial Street 2, DHA, Phase VII, Karachi-75500, Pakistan.
- Shareholders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
- If any member appoints more than one proxy and more than one instruments of proxies for any one meeting are deposited with the Company, all such instruments of proxy shall be rendered invalid.

For Attending the Meeting:

- 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 authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

- 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.

For Appointing Proxies:

- The Proxy form be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or any attorney duly authorized by it.
- 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.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted along with proxy form to the Company.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passports of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.

The Company Secretary
Meezan Bank Limited
Meezan House, C-25,
Estate Avenue, SITE,
Karachi, Pakistan.

Please affix
correct
postage



میزان بینک
پریمیر اسلامی بینک

نمائندگی فارم

جناب کمپنی سیکریٹری
میزان بینک لمیٹڈ
میزان ہاؤس،
۲۵-C، اسٹیٹ ایونیو، سائٹ،
کراچی، پاکستان۔

میں/ہم _____ کے/کے _____ بحیثیت رکن
میزان بینک لمیٹڈ اور شیئرز رجسٹرڈ فلیو نمبر _____ یاسی ڈی سی انویسٹر اکاؤنٹ نمبر/سی ڈی سی پارٹنر شپ آئی ڈی نمبر _____
اور ذیلی اکاؤنٹ نمبر _____ کے مطابق _____ عمومی حصص کا/کے مالک،
_____ کے/کی _____ یا بصورت دیگر _____
_____ کے/کی _____ کو اپنا/ہمارا نمائندہ مقرر کرتا ہوں/کرتی ہوں/کرتے ہیں اور
میزان بینک لمیٹڈ کے ۲۷ مارچ ۲۰۲۶ بروز جمعہ بوقت ۱۰:۰۰ بجے صبح کو میزان ہاؤس، ۲۵-C، اسٹیٹ ایونیو، سائٹ، کراچی، پاکستان میں منعقد ہونے والے ۳۰ ویں سالانہ اجلاس عام
یا اس کے ملتوی شدہ اجلاس میں شرکت کرنے، رائے دینے اور اپنی/ہماری جگہ ووٹ دینے کا اہل قرار دیتا ہوں/دیتی ہوں/دیتے ہیں۔

براہ کرم مناسب قیمت
والے ریونیو اسٹیپ
چسپاں کریں۔

رکن (اراکین) کے دستخط

دستخط بینک میں رجسٹرڈ

نمونے سے مطابقت رکھنے چاہیے۔

دستخط _____ ویں روز _____ ۲۰۲۶ کو کئے گئے۔

گواہ 2:

دستخط _____

نام _____

پتہ _____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

گواہ 1:

دستخط _____

نام _____

پتہ _____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

نوٹس:

1- نمائندگی کا تقرر نامہ مؤثر ہونے کے لئے اجلاس سے کم از کم 48 گھنٹے پہلے کمپنی کو موصول ہونا چاہئے۔

2- سالانہ اجلاس میں حاضر ہونے اور ووٹ دینے کا حق دار کوئی بھی ممبر کسی دوسرے ممبر کو اجلاس میں حاضر ہونے/رائے اور ووٹ دینے کے اپنے کسی ایک یا تمام حقوق استعمال کرنے کے لئے اپنی/اپنا نمائندہ مقرر کر سکتا ہے۔

3- ممبران سے درخواست ہے کہ اپنے پتے میں کسی بھی قسم کی تبدیلی کی صورت میں بینک کے شیئرز رجسٹرار THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C-32، جلی کمرشل اسٹریٹ 2، ڈی ایچ اے، فیئر VII، کراچی-75500، پاکستان کو فوراً مطلع کریں۔

4- مزید برآں، شیئرز ہولڈرز کو سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 مجریہ 26 جنوری 2000 میں فراہم کردہ ہدایات کی پیروی کرنی ہوگی۔

5- اگر کوئی ممبر ایک سے زائد نمائندے مقرر کرتا ہے اور کسی ایک اجلاس کے لئے ایک سے زائد پراکسی فارم موصول ہوتے ہیں، ایسی صورت میں تمام پراکسی فارمز غیر مؤثر سمجھے جائیں گے۔

اجلاس میں شرکت کرنے کے لئے:

1- انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق آپ لوڈ ہوں، کو اجلاس میں شرکت کے وقت اصل قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھانا ہوگا۔

2- کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمع شخصی دستخط کے پیش کرنا ہوں گی (تا وقتیکہ پہلے فراہم نہ کی گئی ہو)۔

نمائندوں کی تقرری کے لئے (Proxies):

1- نمائندگی فارم تقرر کنندہ یا اس کے اٹارنی کی جانب سے دستخط شدہ اور تحریری طور پر تصدیق شدہ ہو، یا اگر تقرر کنندہ کوئی کاروباری ادارہ ہو تو فارم پراس کی مہر ثبت ہو اور اس کی جانب سے قانونی طور پر مقررہ مجازا فرمایا اٹارنی کے دستخط ہوں۔

2- انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق آپ لوڈ ہوں، مندرجہ بالا شرائط کے مطابق پراکسی فارم جمع کرائیں گے۔

3- کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی امیدوار کے شخصی دستخط کے ساتھ کمپنی کو پراکسی فارم کے ساتھ جمع کروانی ہوگی (تا وقتیکہ پہلے فراہم نہ کی گئی ہو)۔

4- جن دو افراد سے پراکسی فارم کی تصدیق کروائی جائے گی ان کے نام، پتے کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم میں درج کیے جائیں گے۔

5- اصل مالکان اور ان کے نمائندوں کی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ منسلک کی جائیں گی۔

6- نامزد شخص کو اجلاس میں شرکت کے وقت اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوں گے۔

برائے مہربانی
درست ڈاک ٹکٹ
چسپاں کریں

محترم کمپنی سیکریٹری
میزان بینک لمیٹڈ
میزان ہاؤس C-25، اسٹیٹ ایونیو
سائٹ، کراچی، پاکستان