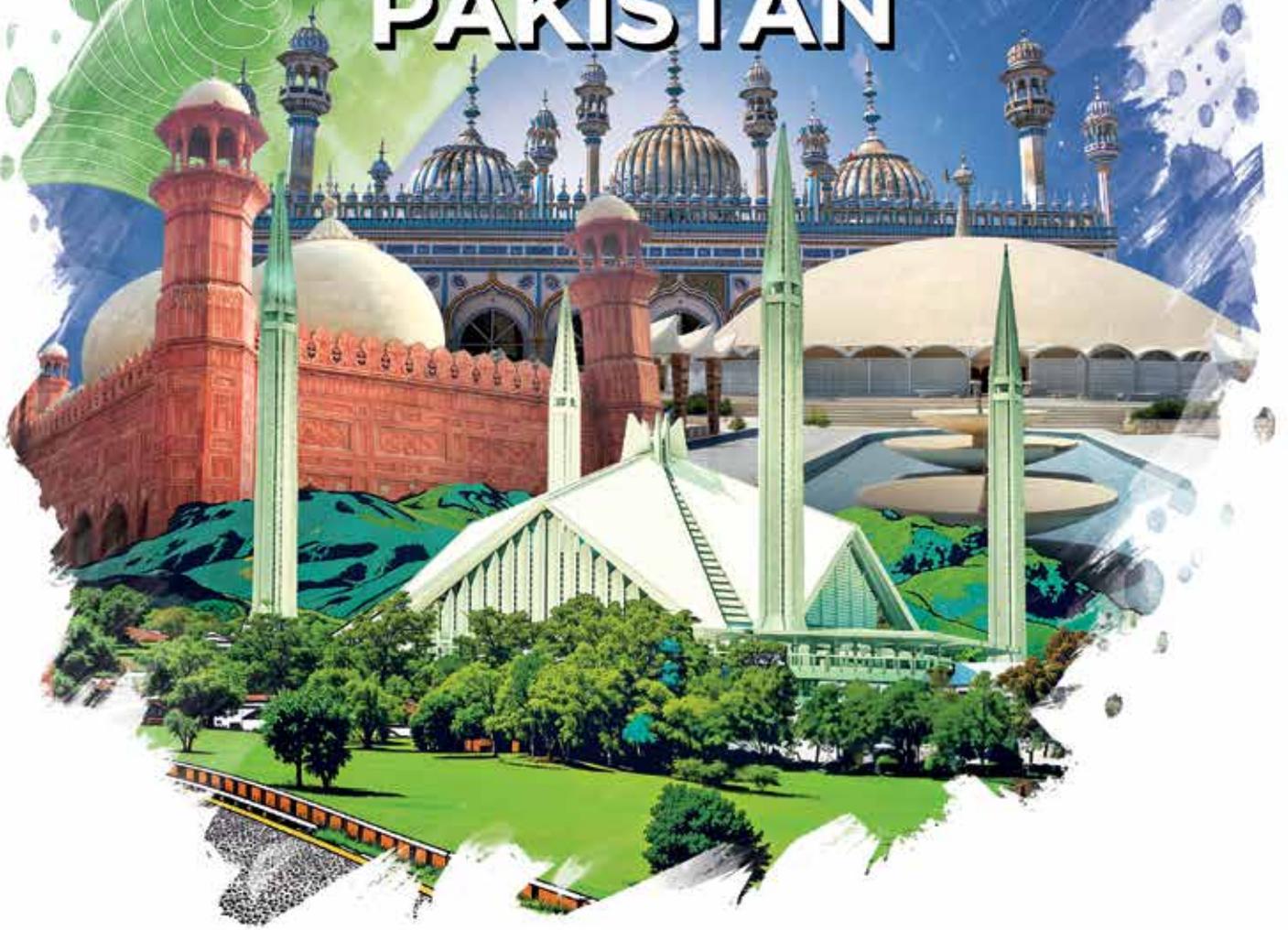


BankIslami

PAKISTAN'S
**BEST ISLAMIC
BANK**
CERTIFIED BY
EUROMONEY



CRADLE OF FAITH MOSQUES OF PAKISTAN



ANNUAL REPORT 2025

SAVING HUMANITY
FROM **RIBA**

آئیں انسانیت کو
سود سے بچائیں





CRADLE OF FAITH

Pakistan stands on foundations shaped by faith.

Across mountains, plains, coastlines, and cities, masjids rise not just as places of worship, but as anchors of community, guidance, and trust. They have witnessed generations begin, strive, & endure. They have held prayers in moments of hope and strength in moments of uncertainty. Just as masjids across Pakistan remain steadfast through time, we remain committed to principles that are rooted, ethical, and guided by purpose.

SHAH FAISAL MASJID



Shah Faisal Masjid

The Shah Faisal Masjid in Islamabad stands as a national symbol of Pakistan, uniting faith, culture, and community under one magnificent structure. Beyond being a center for prayer and Islamic learning, its nature-inspired design and modern architecture continue to inspire awe. Nestled against the Margalla Hills, it remains one of the most admired and iconic Masjids in the world.

VISION

Promoting global economic prosperity based on the Islamic Financial system

MISSION

Saving humanity from Riba by offering Shariah-compliant, customer-centric, innovative financial solutions, and creating value for our stakeholders, while upholding social responsibility and transparency

Chaqchan Masjid
Gilgit - Baltistan

CORE VALUE

Shariah
Excellence

Innovation

People-Centric

Meritocracy

Team Work

Transparency



AT A GLANCE

No. of Accounts

Growth
16%

2025
1,822,079

2024
1,570,649

Branch Network

Growth
5%

2025
569

2024
540

No. of Customers

Growth
21%

2025
1,577,717

2024
1,303,639

No. of ATMs

Growth
17%

2025
643

2024
551

Deposits

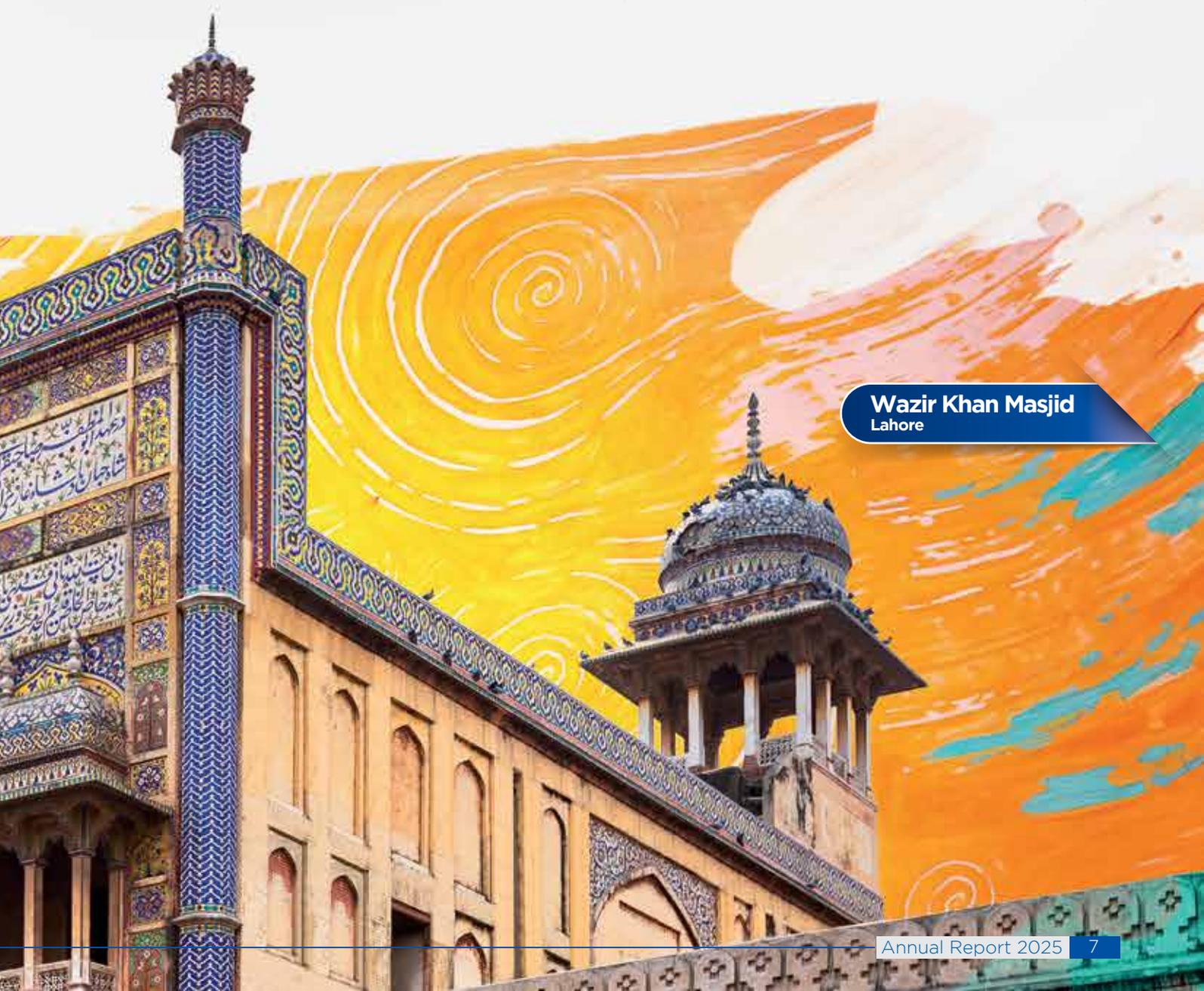
Rs. in million

Growth
18%

2025
660,183

2024
559,178





Wazir Khan Masjid
 Lahore

CORPORATE INFORMATION

Board of Directors*

Mr. Suleman Lalani	Chairman (Non-Executive Director)
Mr. Rizwan Ata	President & Chief Executive Officer
Mr. Akhtar Abbas	Independent Director
Mr. Haider Ali Hilaly	Independent Director
Mr. Kalim Ur Rahman	Non-Executive Director
Mr. Sulaiman Sadruddin Mehdi	Independent Director
Mr. Syed Ali Hasham**	Executive Director

Shariah Board

Dr. Mufti Irshad Ahmad Aijaz	Chairperson
Mufti Javed Ahmad	Resident Shariah Board Member
Mufti Muhammad Husain Khaleel Khail	Member
Mufti Syed Hussain Ahmed	Member

Board Audit Committee*

Mr. Haider Ali Hilaly	Chairperson
Mr. Kalim Ur Rahman**	Member
Mr. Sulaiman Sadruddin Mehdi	Member

Board Risk Management Committee*

Mr. Kalim Ur Rahman**	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

Board Human Resource & Remuneration Committee

Mr. Akhtar Abbas	Chairperson
Mr. Kalim Ur Rahman**	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Suleman Lalani	Member

Board Information Technology Committee

Mr. Haider Ali Hilaly	Chairperson
Mr. Akhtar Abbas	Member
Mr. Suleman Lalani	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

*Dr. Shamshad Akhtar, Female Independent Director, Chairperson of the Board Risk Management Committee, and member of the Board Audit Committee, has demised on December 27, 2025. The casual vacancy will be filled in due course.

** Status of Mr. Syed Ali Hasham was changed from Non-Executive Director to Executive Director on December 01, 2025. Mr. Kalim Ur Rahman replaced Mr. Syed Ali Hasham in committees of the Board. Further, Mr. Kalim Ur Rahman has also been appointed as Chairperson of Board Risk Management Committee effective from February 18, 2026.

Company Secretary

Mr. Hasan Shahid

Chief Financial Officer

Mr. Syed Majid Ali

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Advisers

Haidermota & Co.
Mohsin Tayebaly & Co.

Registered Office

11th Floor, Executive Tower,
Dolmen City, Marine Drive,
Block-4, Clifton,
Karachi.
Phone (92-21) 111-247(BIP)-111
Fax: (92-21) 35378373
Email: care@bipl.io

Management (in alphabetical order)

Rizwan Ata
Imran Haleem Shaikh
Anjum Amin
Ashfaque Ahmed
Faisal Anwar
Haris Munawar
Hasan Saeed Akbar
Hasan Shahid
Kabir Ahmad Qureshi
Muhammad Ayub
Muhammad Irfan Ahmed
Muhammad Uzair Sipra
Muzammil Aslam
Ram Pal Punshi
Saira Gabol
Sajjad Hussain Qureshi
Sohail Sikandar
Syed Amir Raza Zaidi
Syed Majid Ali
Syed Mohammad Mujeeb
Wajid Hussain Junejo
Waqas Anis
Yasir Ashraf
Zulfiqar Lehri

Share Registrar

CDC Share Registrar Services Limited
Head Office: CDC House, 99 - B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi- 74400.
Tel: (92) 0800-23275 Fax: (92-21) 34326053
URL: www.cdcsrsl.com
Email: info@cdcsrsl.com

Website

www.bankislami.com.pk

Chief Executive Officer
Deputy CEO
Head of Compliance
Chief Officer Aik
Head Treasury & Financial Institution
Head of Wholesale Banking
Head of Marketing & Strategy
Company Secretary
Group Head Distribution & Business Banking
Service Quality & Customer Experience
Head Shariah Compliance
Head of Legal
Head of Operations
Principal Credit Advisor
Head of Human Resource
Chief Risk Officer
Chief Operations Officer
Chief Internal Auditor
Chief Financial Officer
Chief Information Officer
Group Head Administration
Chief Digital Officer
Head Business Intelligence
Group Head Consumer and Channel Sales

PROFILE OF THE BOARD

Mr. Suleman Lalani, Chairman (Non-Executive Director)

Mr. Suleman Lalani is presently the Group President of Jahangir Siddiqui & Co. Limited (“JSCL”).

Before his elevation to the position of Group President, he served JSCL as its Chief Executive Officer for more than a decade. Prior to joining JSCL, he was Executive Director Finance & Operations and Company Secretary of JS Investments Limited where he also served as CFO and Company Secretary for seven years.

Mr. Lalani had started his career with JSCL in 1992 where he worked for over eight years. In year 2000, he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002, he joined The First Micro-Finance Bank Limited as its Chief Financial Officer and Company Secretary.

Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has more than 30 years of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance.

Date of Joining the Board: May 10, 2023

Other directorships held:

Chairman/Director, JS Investments Limited
Director, Al-Abbas Sugar Mills Limited
Director, TRG Pakistan Limited

Mr. Akhtar Abbas (Independent Director)

Mr. Akhtar Abbas is a highly competent lawyer and legislative expert. He is serving the community for almost two decades through his untiring passion and commitment towards his profession. He has Bachelor and Masters degrees in Law from International Islamic University, Islamabad with a special focus on comparative study of Shariah and Common Law. He also has a Masters Degree in Political Science from Punjab University. As an advocate High Court, he has participated and played a pivotal role in several cases of public and constitutional importance throughout his career.

He is presently advising Federation of Pakistan Chambers of Commerce & Industry, FPCCI as member Advisory Committee on Legal Affairs. He has recently worked as an Assistant Advocate General with the Government of Punjab. He has also worked as Legislative Consultant to the Senate of Pakistan, where he has worked with Standing Committee on Law and Justice. He voluntarily assisted the Chairman of the Committee in research, drafting and comparative study of different laws in proposing new legislation through private member bill. Other than his legal services, he has been teaching various law subjects at top universities of the country including Quaid-e-Azam University, COMSATS University, and Bahria University in Islamabad as a visiting faculty member. He also appears in TV shows as a legal and political analyst.

He has also attended numerous trainings, workshops, and seminars of significant importance including but not limited to National Security Workshop (NSW-12); the highest course on the subject in the country offered by National Defence University and National Media Workshop (NMW-7) from the same university. He has graduated from Pakistan Naval War College Lahore where he attended Maritime Security Workshop (MARSEW-19). He has also attended a training course on Eco-Tourism held in Philippine organized by Asian Productivity Organization, Japan. He holds two diplomas in Business and Diplomacy from European Academy of Diplomacy Warsaw, Poland.

He has also completed Director Training Programme from Lahore University of Management Sciences (LUMS).

Date of Joining the Board: May 10, 2023

Other Offices held:

Member, District Social Protection Committee Bhakkar (Punjab Social Protection Authority)
 Deputy Information Secretary, Chamber of Agriculture, Punjab
 Legal Advisor, Pakistan Institute of Conflict and Security Studies
 Advocate High Court, Punjab Bar Council

Mr. Haider Ali Hilaly (Independent Director)

Mr. Hilaly is a senior investment professional with a 25-year track record of delivering exceptional shareholder returns globally across private and public equity investments. He has invested in multiple geographies (including the USA, UK, Europe, Japan and Pakistan), executing primarily sector agnostic strategies across the equity lifecycle which includes venture capital, greenfield (through JVs and as a developer), growth equity, buy-outs and turnarounds. In addition, his roles have required cultivating and managing stakeholder relations across top quality international investors, high powered boards, C-suite management and regulators. His expertise is focused on deploying investor capital to grow, scale or restructure businesses, particularly in challenging environments requiring a hands-on approach in investee companies to enhance shareholder returns.

In addition to having full discretion and oversight over the investment process (origination to execution), Mr. Hilaly has been extensively involved in strategic value creation and implementing initiatives which include bringing global standards of governance at portfolio companies through leadership roles on their respective boards.

Mr. Hilaly has substantial international experience beginning with his undergraduate education at Hamilton College in the US as well as King's College in London and an MBA from the London Business School. He is also a certified director from the Pakistan Institute of Corporate Governance.

Date of Joining the Board : May 07, 2020

Other directorships held:

Director, Ithaca Capital BV
 Director, Mobility Digital Holdings BV
 Director, Bykea Technologies (Pvt) Limited
 Director, Bykea Technologies BV
 Director, Bykea Trade (Pvt) Limited

Mr. Kalim Ur Rahman (Non-Executive Director)

Mr. Kalim Ur Rahman is a seasoned banker with around five decades of experience in both international and domestic banking. He started his banking career with National & Grindlays Bank in 1963 as a Management Trainee. After nearly three years of banking training in Pakistan and London, he was appointed as a Covenanted Officer of the Bank in 1966, and served in Karachi, Peshawar and London in senior positions till 1978, when he resigned and joined Middle East Bank, Dubai as Chief Manager, and subsequently promoted as Assistant General Manager - UAE Operations.

During his tenure with Middle East Bank in Dubai, he conceived and implemented the online computerization of the UAE branches in 1980, being one of the first in UAE banking. In 1985, he was posted to Karachi as General Manager – South Asia, and till 1991 he saw Middle East Bank, Pakistan grow its profitability by 35% per annum CAGR from only three branches in the country. After 1991, Mr. Kalim Ur Rahman served in several Pakistani banks in senior positions, including as the President & CEO of Askari Commercial Bank from 1999 to 2006, during which period the Bank saw a phenomenal growth in its assets and profitability. He subsequently served as the General Manager of Arab Emirates Investment Bank, Dubai 2007-2008, and President & CEO of JS Bank Limited from 2010 to 2013. Thereafter, he was elected as a Director of JS Bank Limited in 2013, and was Chairman of the Board from August 2019 to March 2022.

Mr. Kalim Ur Rahman was the first Secretary General of the Pakistan Banks Association 2006- 2007.

Mr. Kalim Ur Rahman did his Senior Cambridge from Burn Hall School, Abbottabad in 1958 and B.Sc. (Hons) from Government College, Lahore in 1963. He had a first class academic career throughout, and his name is inscribed on the College Roll of Honor. He is a Fellow of the Institute of Bankers in Pakistan and holds the Director's Certification from the Pakistan Institute of Corporate Governance as well as the Institute of Directors, London.

Date of Joining the Board: September 12, 2025

Directorship in other Companies:

Director, Excel Labs (Private) Limited

Mr. Sulaiman Sadruddin Mehdi (Independent Director)

Mr. Sulaiman has been appointed by the Federal Government as Independent Director/Chairman of Pakistan Reinsurance Company Limited on 07 January, 2026.

He served as the First Independent Chairman of State Life Insurance Corporation from August 17, 2023 to March 06, 2025.

Mr. Sulaiman served TPL Developments as Chairman from September 2022 to December 2024, and as CEO from March 2022 - August 2023 and was leading all the development initiatives of USD 100mn TPL REIT Fund-I and was also responsible for all new developments of TPL.

Before TPL, he has served as CEO Cyan Limited, formerly Central Insurance Company Limited (CICL). In 2011, Sulaiman orchestrated the business restructuring of CICL (Insurance) to Cyan (Investments/PE), a landmark transaction, and the first of its kind in Pakistan.

Before Cyan, he has also served PICIC DFI, PICIC Asset Management Company Ltd., Allied Bank (ABL) and ABL Asset Management Company Limited. He has had the privilege of establishing two leading Asset Management Companies.

As a senior executive he has been working on strategy, mergers and acquisitions. He is a proven business leader with a track record of delivering sustainable change and superior results. Sulaiman's experience spans over 23 years in multiple areas of real estate development and financial services including investments, operations, marketing, legal and corporate affairs.

Amongst his prominent achievements have been the acquisition of HUBCO from National Power in June 2012 for PKR 6bn and exited in March 2018 for PKR 22bn resulting in gains of app. PKR 23bn (incl dividends) in less than 6 years. He also had the privilege of leading the election process of HUBCO for DH Group twice in 2012 and 2015 and managed 8 out of 11 seats with just 17.5% shareholding while managing the rest through proxies.

He has been the youngest Chairman of the Pakistan Stock Exchange (PSX). At PSX besides being the Chairman of the Board, Sulaiman was also the Chairman of the Nomination Committee, Human Resource and Remuneration Committee and Regulatory Affairs Committee. He was Chairman Unity Foods Limited. He was also Chairman Pebbles Ltd. - the real estate arm of Dawood Hercules (DH) Group and spearheaded all real estate initiatives of the Group. He was a Founding member of the Presidential Initiative for Artificial Intelligence and Computing (PIAIC) and a Member of the Committee on Emerging Technologies of MOIT. He is an Independent Director on Sind Energy Holding Company Pvt. Ltd., BankIslami Pakistan Ltd., Lucky Motors Corporation Limited, Lucky Landmark (Pvt.) Limited and Aga Khan Cultural Service Pakistan (AKCSP).

He has also served on the Board of Dawood Lawrencepur Limited, FOCUS Pakistan (an Aga Khan Foundation backed NGO), Inbox Business Technologies (Pvt.) Ltd., Inbox Consulting (Pvt.) Ltd., Inbox Corporation (Pvt.) Ltd., Sach International (Pvt.) Ltd., The Institute of Business Management (IOBM) and Unity Foods. He has also represented Sindh as an Independent Member on Private Power and Infrastructure Board (PPIB). He holds a master's degree and is also a fellow member of The Institute of Corporate Secretaries of Pakistan (FCIS). He is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

Date of Joining the Board : May 07, 2020

Other Directorships held:

Director - Sindh Energy Holding Co. (Private) Limited
 Director - Aga Khan Cultural Services Pakistan
 Director - Lucky Motors Corporation Limited
 Director - Lucky Landmark (Pvt.) Limited
 Director - Pakistan Reinsurance Company Limited

Syed Ali Hasham (Executive Director)

Syed Ali Hasham has transitioned from his role as a Non-Executive Director to Executive Director of BankIslami following his appointment as Deputy Head, Investment Banking in December 2025. Earlier, he had been associated with Jahangir Siddiqui & Co. Limited ("JSCL" - the parent company of JS Group) since 2017. During his tenure with JSCL he worked on various roles and assumed varied responsibilities including Chief Financial Officer. Before JSCL, Mr. Hasham worked in the Audit and Assurance department of Deloitte Pakistan and Qatar. During his association with Deloitte, his areas of experience were financial services, retail and aviation sectors.

Mr. Hasham is a member of the Institute of Chartered Accountants of Pakistan and holds a Master's degree in business administration. He also has completed Corporate Governance Leadership Skills (CGLS) - Director Education Program from Pakistan Institute of Corporate Governance (PICG). He is pursuing Senior Executive Leadership Program (2025-2026) from Saïd Business School, University of Oxford.

Date Joining the Board of the Bank: May 07, 2020

Other directorships held:

1. JS Infocom Limited
2. Mahvash and Jahangir Siddiqui Foundation

BankIslami

Mr. Rizwan Ata, President & Chief Executive Officer

Mr. Rizwan Ata is a visionary leader and one of the foremost architects of modern Islamic banking in Pakistan. Since joining BankIslami in 2019, he has been instrumental in reshaping the Bank's strategic direction, strengthening its institutional foundations, and accelerating sustainable growth, firmly positioning BankIslami as a progressive and resilient Islamic financial institution.

With an illustrious career spanning leading local and international banks, Mr. Ata brings a rare blend of strategic foresight, operational depth, and Shariah-centric leadership. His distinguished professional journey includes senior leadership roles such as Group Head – Islamic Banking at Bank Alfalah, Group Chief – Islamic Banking at Allied Bank, Group Head – Branch Network & SME at Meezan Bank, and multiple leadership assignments at Emirates Bank International. Across these roles, he consistently championed innovation, customer-centricity, and value-driven banking while advancing the global principles of Islamic finance.

Under his leadership, BankIslami has focused on building a future-ready organization—strengthening governance, embracing digital transformation, enhancing risk management, and fostering a culture of excellence anchored in ethical and responsible banking. His approach reflects a deep commitment to creating shared value for stakeholders, supporting financial inclusion, and contributing meaningfully to Pakistan's socio-economic development through Shariah-compliant solutions.

Mr. Ata's professional acumen is complemented by a strong academic foundation. He holds a Master's degree from the Lahore University of Management Sciences (LUMS) and has completed advanced leadership and management programs from globally renowned institutions, including INSEAD and the University of London. He is a Certified Islamic Finance Executive from ETHICA Institute of Islamic Finance and has served in multiple advisory and governance capacities including former Executive Committee Member of Pakistan Banking Association and IBA-CEIF. Former Board Member of Al Meezan Investment Management Ltd, Renacon Pharma Ltd, and Shakarganj Food Products Ltd. Currently Mr. Ata is Advisory Committee Member of CIF-LUMS

Date of Joining the Board: September 29, 2023

BOARD OF DIRECTORS' ATTENDANCE DURING THE YEAR 2025

Sr. No.	Name of Directors	Category	No. of Meetings held in tenure	No. of Meetings attended
1	Mr. Suleman Lalani, Chairman	Non-Executive Director	6	6
2	Mr. Rizwan Ata, President & CEO	Executive Director	6	6
3	Mr. Akhtar Abbas	Independent Director	6	6
4	Mr. Haider Ali Hilaly	Independent Director	6	6
5	Mr. Kalim Ur Rahman	Non-Executive Director	2	2
6	Mr. Sulaiman Sadruddin Mehdi	Independent Director	6	6
7	Mr. Syed Ali Hasham	Executive Director	6	6
8	Dr. Shamshad Akhtar*	Independent Director	4	4
9	Ms. Iffat Zehra Mankani **	Non-Executive Director	1	1
10	Mr. Ali Hussain ***	Non-Executive Director	2	2

*The office of Dr. Shamshad Akhtar has been ceased due to her demise on December 27, 2025.

**Ms. Iffat Zehra Mankani resigned from her office on March 12, 2025.

*** Mr. Ali Hussain resigned from his office on June 19, 2025.

PROFILE OF THE SHARIAH BOARD

Dr. Mufti Irshad Ahmad Aijaz (Chairperson, Shariah Board)

Dr. Mufti Irshad Ahmad Aijaz is the Chairperson of the Shariah Board of BankIslami. He graduated from Jamiat-ul-Uloom Islamiyyah, Binori Town, Karachi with a Shahadat-ul-Aalimiyyah (Masters in Arabic and Islamic Studies). He then completed his Takhassus fi al-Iftaa (Specialization in Islamic Jurisprudence and Fatwa) from Jamia Dar-ul-Uloom, Karachi. He passed the country's first Islamic Finance course "Contemporary Business and Banking and its Critical Evaluation in the Light of Shariah" offered by the Centre for Islamic Economics, Jamia Dar-ul-Uloom, Karachi in 1994.

He holds an MBA degree (Masters in Business Administration), and has completed his PhD in Islamic Studies with relevance in Islamic Finance from the Sheikh Zayed Islamic Center, University of Karachi.

Dr. Mufti Irshad Ahmad Aijaz currently holds advisory positions in the following institutions:

- Chairman, Shariah Advisory Committee - SECP
- Member, Governance and Ethics Board - Accounting & Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain
- Member, Shariah Board - Bank Makramah Limited
- Member, Shariah Board - Standard Chartered Bank (Pakistan) Limited
- Shariah Consultant - Shariah Review Bureau, Bahrain
- Member, Shariah Council - Al-Hilal Shariah Advisors (Pvt.) Ltd.
- Member, Religious Board of Modaraba Companies - Pakistan
- Member, Steering Committee for providing strategic guidance regarding implementation of Federal Shariat Court (FSC)'s judgment on Riba - Pakistan

He regularly delivers lectures on Islamic Economics and Finance at different forums and educational institutions including National Institute of Banking and Finance (State Bank of Pakistan) and Center of Islamic Economics (a division of Jamia Dar-ul-Uloom, Karachi).

Mufti Muhammad Husain Khaleel Khail (Member)

Mufti Muhammad Husain is a prominent scholar in the field of Islamic jurisprudence. He graduated from Jamia Dar-ul-Uloom, Karachi and obtained his Shahadat-ul-Aalimiyyah (Masters in Arabic and Islamic Studies) from there. Afterwards, he completed his Takhassus fi al-Iftaa (Specialization in Islamic Jurisprudence and Fatwa) from Jamia-tur-Rasheed, Karachi.

He has been teaching Islamic studies including Fiqh and Fatwa for years. He has undertaken research work in various topics including economic thoughts in Islam, financial markets, modern economic and financial issues and Islamic banking and finance, and has also authored the famous series of books on Islamic Commercial Law, named "Asan Fiqh ul Muamalat". He is also a member of Shariah Board of Halal Foundation, the first Shariah certification and Research body in Pakistan.

His research work includes Ushr obligation, Takaful on the basis of Waqf, Shariah rules of wealth earned through impermissible sources and rulings on status of juristic person in Islam. He has authored several articles and issued verdicts (Fatwas) on various issues. He is associated with Jamiat-ur-Rasheed, Karachi as a senior Mufti in Darul Iftaa and lecturer in department of Fiqh-ul-Muaamlaat.

Mufti Syed Hussain Ahmed (Member)

Mufti Syed Hussain Ahmed is a Shariah Scholar carrying good reputation with ample experience of giving Shariah pronouncements (Fatawa). He graduated from Jamia Darul Uloom Karachi and obtained from there his Shahadat-ul-Aalimiyyah (Masters in Arabic and Islamic Studies) and Takahssus fi al-Iftaa (Specialization in Islamic jurisprudence and fatwa). He is also one of the prominent experts on Islamic Astronomy in the country.

Mufti Syed Hussain Ahmed has been serving at Jamia Dar-ul-Uloom Karachi since 1998 as faculty member and Senior Mufti. Assisting the Fatwa House of Dar-ul-Uloom, he has authored and issued more than 20,000 Fatawa on topics including but not limited to prayer, fasting, Zakat, Islamic Banking & Finance, Insurance/Takaful and Halal Food.

He is also associated with Indus Hospital as Shariah Consultant on their financial matters, most specifically on collection and disbursement of Zakat / donations. He regularly delivers lectures on topics related to Fiqh-ul-Muaamlaat and Islamic Finance at Center of Islamic Economics (a division of Jamia Dar-ul-Uloom, Karachi) and other organizations.

Mufti Javed Ahmad (Resident Shariah Board Member)

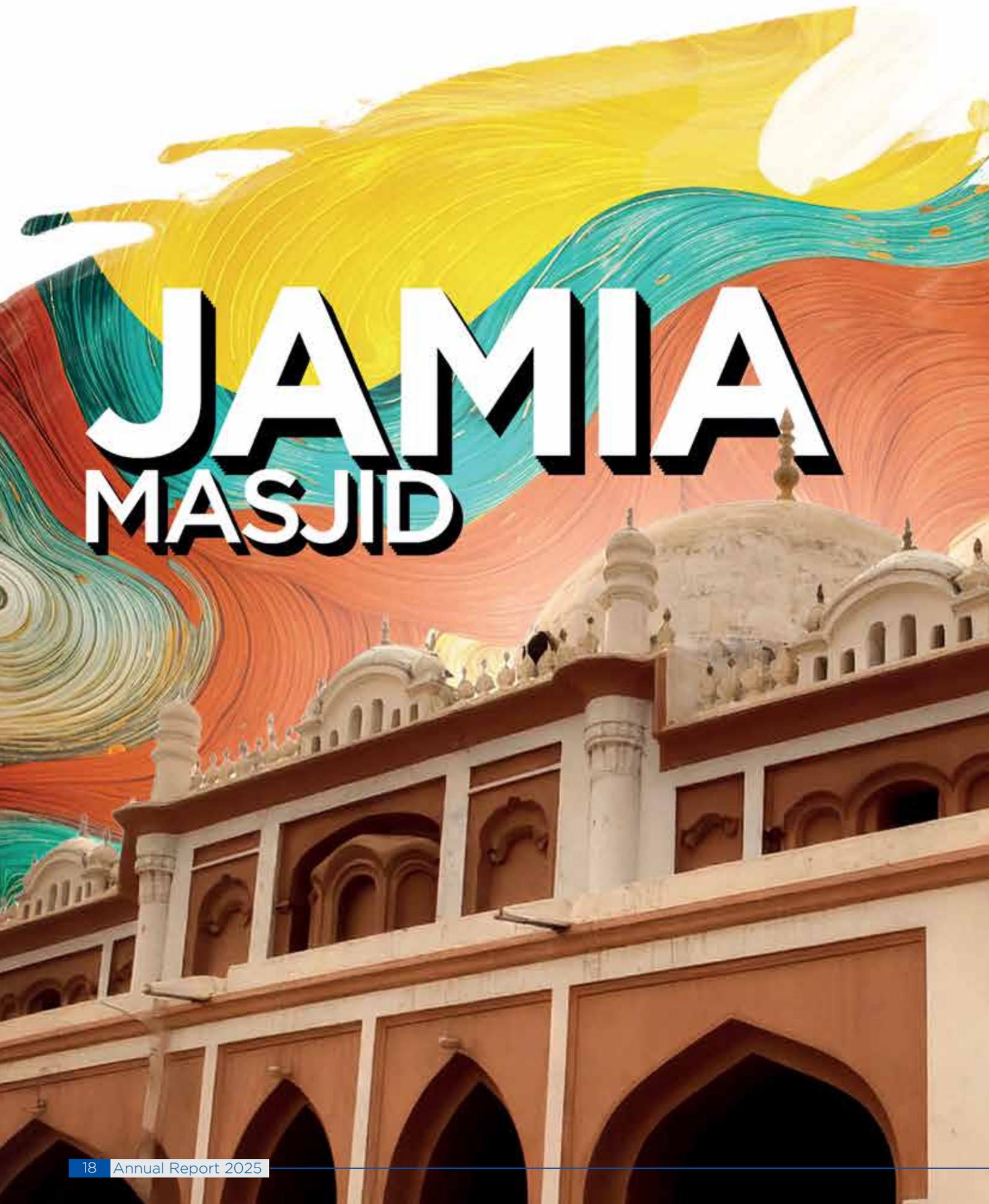
Mufti Javed Ahmad has been serving as BankIslami's Resident Shariah Board Member (RSBM) since 2015. He has completed his Shahadat-ul-Aalimiyyah (Masters in Arabic and Islamic Studies) from Jamia Dar-ul-Uloom, Karachi, and Takhassus fi Fiqh-el-Muamlat (Specialization in Islamic Jurisprudence of trade and finance) from Jamia-tur-Rasheed, Karachi. He is also a Certified Shariah Advisor and Auditor (CSAA) from AAOIFI, Bahrain and Chartered Islamic Finance Professional (CIFP) from INCEIF, Malaysia. He has completed M.A. Economics from Karachi University and M.Phil. in Islamic Banking & Finance from Sheikh Zayed Islamic Centre, while also having undertaken research work on numerous topics including Islamic Banking and Finance.

Mufti Javed Ahmad is also a Shariah Board Member at Alfalah Asset Management Limited (Islamic Funds). Prior to joining BankIslami, he was associated with Ernst & Young Ford Rhodes Sidat Hyder as 'Senior Shariah Consultant' where he was engaged in Shariah Advisory, Shariah Review, Shariah Audit and Compliance activities for more than four years.

He regularly delivers lectures on Islamic Economics and Finance at different forums and educational institutions including National Institute of Banking and Finance (State Bank of Pakistan).

S. No.	Name of Members	Number of Meetings Held During 2025	Attendance
1	Dr. Mufti Irshad Ahmad Aijaz	4	4
2	Mufti Javed Ahmad	4	4
3	Mufti Muhammad Husain Khaleel Khail	4	4
4	Mufti Syed Hussain Ahmed	4	4

JAMIA MASJID





Jamia Masjid

The Jamia Masjid in Quetta stands as a spiritual and architectural landmark of Balochistan. Spanning 60,000 square feet in Jinnah Town, its gleaming white dome and four smaller domes above towering minarets reflect purity, devotion, and unity. Beyond being a place of worship, it serves as a center of faith and community with its serene presence and grandeur embodying the spiritual heart of Quetta.

DISCUSSION ON CORPORATE GOVERNANCE

The purpose of this section is to provide a holistic view of Bank's corporate governance culture and practices.

Board of Directors

The Board of Directors of the Bank (the 'Board') aims to adopt best practices of the corporate governance to promote transparency in whatever we do, avoid conflicts and deliver sustainable value to the shareholders.

The Bank has adopted the requirements enshrined under the Corporate Governance Regulatory Framework, 2021 (CGRF) issued by the State Bank of Pakistan (SBP) and the Listed Companies Code of Corporate Governance Regulation, 2019 (CCG) issued by the Securities and Exchange Commission of Pakistan (SECP), and these have been duly complied with. A statement to this effect is an integral part of the Annual Report 2025.

Composition of the Board of Directors

The Bank values gender diversity and has included a female independent director on its Board. Additionally, it has ensured the presence of independent members on both the Board and its sub-committees, in full compliance with regulatory requirements.

Role and Responsibilities of the Board

The Board performs its statutory roles and responsibilities diligently while ensuring that the Bank is functioning under the competent management team. The Board reviews and approves the Bank's strategy and risk appetite. It also approves the capital and operational plans for achieving strategic objectives on the recommendation of the management.

The Board aspires to achieve continuous improvement in Corporate Governance culture by enhancing its soundness and effectiveness in the years to come. We believe it as a key to successfully fulfilling our mission to Save Humanity from Riba by offering Shariah compliant, customer-centric, innovative financial solutions and creating value for our stakeholders, while upholding social responsibility and transparency.

Sub-Committees of the Board

The Board, while nominating and appointing its members, ensures that it possesses requisite skills and expertise through its members carrying diversified education and experience so as to govern the strategy, policies and operations of the Bank in an effective manner.

The Board presently has the following sub-committees:

1. Board Audit Committee
2. Board Risk Management Committee
3. Board Human Resource & Remuneration Committee
4. Board Information Technology Committee

The Board establishes sub-committees to effectively discharge its responsibilities. For each sub-committee, the Board adopts formal Terms of Reference that outline the composition, roles, functions, and responsibilities of the committees. All Board sub-committee meetings are held as required under the code throughout the year to effectively discharge their duties.

Shariah Board

The Bank's Shariah Board is constituted under the State Bank of Pakistan's "Shariah Governance Framework for Islamic Banking Institutions". Shariah scholars meet SBP's Fit and Proper Criteria and are appointed as members of the Shariah Board for three years by the Board of Directors, with eligibility for reappointment.

The Shariah Board is responsible for ensuring that the Bank's operations adhere to the principles enshrined in Shariah; this is achieved through the implementation of a comprehensive Shariah Compliance Framework in all areas of operations within the Bank.

The Shariah Board is empowered to consider, decide and supervise all Shariah related matters relevant to the Bank, where all of its decisions, rulings and fatawa are binding on the organization. All products or services to be offered and/or launched by the Bank have prior approval of the Shariah Board, so that they are in conformity with the rules and principles of Shariah.

Annual Evaluation of the Board's Performance

The Bank conducts an annual performance evaluation of the Board, its Committees, the Chairman, Individual Directors, and the President & CEO, in line with regulatory requirements. An external independent evaluator carries out this assessment, focusing on areas like composition, expertise, risk management, internal controls, and audit functions. The results identify strengths and areas for improvement, followed by discussions on performance improvement plans with each Board member.

Directors' Training

The Board is compliant with the Director Training Program. At present, all of the seven members have completed the prescribed certification under Director Training Program (DTP) as per the requirement of Code of Corporate Governance. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

Furthermore, in compliance with the Director Training Programme requirements, the Bank organized specialized orientation and training sessions on Sustainable Development Goals (SDGs) in collaboration with the Shariah Department, as well as sessions on Cybersecurity and the AML/CFT for the Bank's Board Members.

BOARD COMMITTEES

In order to share the load of activities, the Board has formed specialized Committees consisting of Board members with clear objectives, agreed reporting procedures and scope of authority. Board Committees constitute an important element of governance process. The Board acknowledges that establishing these committees does not exonerate its the responsibility to comply with fiduciary requirements. The Chairs of each committee report matters of significance to the Board after each meeting and the minutes of the meetings are made available to all Board members. The detailed roles and responsibilities of each committee are set out in its respective terms of reference. Following are the Board Committee along with relevant details:

Information Technology (IT) Committee

Mr. Haider Ali Hilaly	Chairperson
Mr. Suleman Lalani	Member
Mr. Akhtar Abbas	Member
Mr. Rizwan Ata	Member

Terms of Reference

The Board IT Committee (BITC) has been constituted to assist the Board in devising IT and Digital strategies, reviewing IT Policies and Risk Management Framework before submission to the Board in order to ensure IT-related projects, procurements, and operations are performed in line with Board-approved IT and digital strategies, as well as remain within the regulatory framework. BITC reviews progress and implementation of the IT Strategic Plan and receives periodic updates from the IT Steering Committee to monitor all technology-related projects approved by the Board. BITC also monitors the latest developments on the cybersecurity action plan and its implementation status before sending it to the Board, implements the IT Risk Management Framework to assess and monitor IT-related risks, and provides directions to the management in addressing IT risks. BITC also reviews updates on the Bank's Disaster Recovery Site and Business Continuity Plan on a periodic basis.

S. No	Name of Directors	Number of meetings held during 2025	Attendance
1.	Mr. Haider Ali Hilaly	5	5
2.	Mr. Suleman Lalani	5	5
3.	Mr. Akhtar Abbas	5	5
4.	Mr. Rizwan Ata	5	4

Board Risk Management Committee

Mr. Kalim Ur Rahman*	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Rizwan Ata	Member

* Dr. Shamshad Akhtar, Chairperson of the Board Risk Management Committee, has demised on December 27, 2025. Mr. Kalim Ur Rahman has been appointed as Chairperson of Board Risk Management Committee effective from February 18, 2026

Terms of Reference

The Board Risk Management Committee (BRMC) is tasked with overseeing and reviewing the Bank's risk management framework. This includes the policies, procedures, and practices employed to mitigate all material risks- including credit, market, operational, compliance, environment, and information security risks.

The BRMC also reviews the methodologies developed to measure the Bank's risk exposure. Its mandate includes evaluating the Bank's risk profile and appetite while ensuring robust systems are in place for comprehensive risk monitoring. Furthermore, the Committee reviews exception reports to identify policy deviations and deliberates on risk-related analytics, including early warning signals emerging from the Bank's activities..

S. No	Name of Directors	Number of meetings held during 2025	Attendance
1.	Mr. Sulaiman Sadruddin Mehdi	4	4
2.	Mr. Rizwan Ata	4	4
3.	Mr. Syed Ali Hasham	4	4
4.	Dr. Shamshad Akhtar	3	3
5.	Ms. Iffat Zehra Mankani	1	1

Board Audit Committee (BAC)

Mr. Haider Ali Hilaly	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Kalim Ur Rahman	Member

Terms of Reference

The responsibilities of the Audit Committee are governed by its Charter, approved by the Board of Directors and are broadly categorized into following important areas:

- Financial Reporting and related controls
- Corporate Governance compliance
- Supervision of Internal Controls
- Review of Internal Audit activities

In specific, the Committee is responsible for review of periodic financial statements prepared by the management, review of management letter issued by external auditors and to ensure

BankIslami

that appropriate measures are taken by the management to address the same, review of the Bank's statement on internal controls prior to its endorsement by the Board and meeting with external auditors to ascertain any major risks or significant changes expected in the financial reporting framework which may have a material effect on the Bank. Audit Committee is also responsible for overseeing, the Bank's significant risk areas assessed by management, internal or external auditors as well as the related controls to mitigate such risks. It reviews and approves the Internal Audit Charter and Internal Audit Strategy. It also reviews and approves the Annual Audit Plan while ensuring that adequate resources are available to Internal Audit department. It reports matters of significant importance to the Board including major findings of investigations characterized by fraud, corruption and abuse of power and the management's response thereto.

S. No	Name of Directors	Number of meetings held during 2025	Attendance
1.	Mr. Haider Ali Hilaly	6	6
2.	Mr. Sulaiman Sadruddin Mehdi	6	6
3.	Mr. Syed Ali Hasham	6	6
4.	Ms. Iffat Zehra Mankani	6	1
5.	Dr. Shamshad Akhtar	6	3

Board Human Resources & Remuneration Committee

Mr. Akhtar Abbas	Chairperson
Mr. Suleman Lalani	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Kalim Ur Rahman	Member

Terms of Reference

The Board Human Resources & Remuneration Committee (BHR&RC) is formed to assist the Board in the effective discharge of its responsibilities related to human resources, their remuneration, compensation & benefits and related policies. The Group Head Human Resource is the secretary of this committee. In the absence of Group Head of Human Resources for any reason, the Company Secretary may act as an interim secretary. The BHR&RC comprises of at least three (3) non-executive directors of the Bank and the Chairperson as an independent director.

The role of the Committee is to assist the Board to have an oversight of the Bank's human resources and remuneration management. The core responsibilities of BHR&RC include reviewing Human Resource management at the Bank to recommend the Board for taking strategic decisions including remuneration related policies and any change(s) or amendment(s) therein as well as implementation of succession planning for critical positions etc. Furthermore, to recommend the matters related to the selection, evaluation, compensation (including retirement benefits) and terms & condition of employment of the President & CEO and of other key executives of the Bank along with remuneration policy and remuneration structure of Board members (e.g. meeting allowance), President & CEO and employees. Moreover, to review the results of engagement and compensation & benefit surveys, and to make recommendations for improvement in policies and overall working environment of the Bank. In addition to this, BHR&RC is responsible to perform any other assignment delegated to the Committee by the Board from time to time.

S. No.	Name of Director	Number of Meetings Held During 2025	Attendance
1.	Mr. Akhtar Abbas	4	4
2.	Ms. Iffat Zehra Mankani	4	1
3.	Mr. Suleman Lalani	4	4
4.	Mr. Syed Ali Hasham	4	4
5.	Mr. Sulaiman Sadruddin Mehdi	4	2

CHAIRMAN'S REVIEW

I present the annual report of BankIslami Pakistan Limited for the year ended December 31, 2025. Before reviewing our progress, it is with a heavy heart that I note the sad demise of our esteemed director, Dr. Shamshad Akhtar. Her profound wisdom, dedication, and invaluable contributions to the Bank will always be remembered and we will always honor her lasting legacy at BankIslami.

Amid a year of economic transition, marked by declining policy rates, higher tax burdens, and the introduction of the Minimum Deposit Rate requirement for Islamic Banking Institutions (IBIs), BankIslami posted Profit After Tax of Rs. 6 billion. The Bank pursued a balanced, two-pronged strategy focusing on growth in volumes and exploring non-funded income avenues, while simultaneously advancing its long-term roadmap for sustainable growth and value creation. Key milestones included the launch of *aik*, Pakistan's first Islamic digital banking solution; the incorporation of BIPL Exchange Company (Private) Limited to expand into foreign exchange and remittances; and the acquisition of a 32-storey commercial tower in Clifton, Karachi, reinforcing our operational footprint and corporate presence.

The Board remains steadfast in its commitment to the highest standards of corporate governance as a cornerstone of our strategic mandate. In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, we engaged Grant Thornton Anjum Rahman to conduct an independent evaluation of the Board, its Committees, and individual leadership, including the Chairman and the President & CEO. This process provided constructive insights that further fortified our governance framework and operational effectiveness.

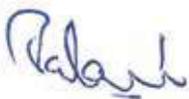
Beyond compliance, we prioritize continuous professional evolution. I am pleased to report that the Bank maintains 100% compliance with the Director Training Program (DTP) requirements. To ensure our leadership remains agile in an increasingly complex landscape, our Directors have engaged in specialized development programs focused on Islamic Banking, Sustainable Development Goals (SDGs), Cybersecurity, and AML/CFT regulations. This ongoing investment in intellectual capital reinforces our ability to oversee the Bank's long-term sustainability and digital transformation.

The Board has proposed a final cash dividend of Rs. 1.25 per share for the year ended December 31, 2025, subject to approval in the upcoming Annual General Meeting. This, combined with the interim cash dividend of Rs. 1.5 per share (15%) declared earlier, brings the total cash dividend for 2025 to Rs. 2.75 per share.

Looking toward 2026, BankIslami remains committed in its strategic priorities, anchored by sustainable banking and Shariah-compliant solutions. Our focus is on disciplined growth and digital expansion to capitalize on emerging opportunities.

Key to our 2026 agenda is the integration of Advanced Analytics and AI to drive operational efficiency, sharpen risk management, and elevate customer engagement and experience. We remain committed to financial inclusion, specifically by empowering SMEs, commercial clientele, and underserved segments. Backed by stable capital and liquidity foundations, we are well-positioned for resilient, long-term performance. Furthermore, our focus on CASA growth and product diversification ensures a cost-effective funding mix, optimizing our cost of funds while enhancing our competitive edge.

I extend my sincere appreciation to the State Bank of Pakistan, Ministry of Finance, Securities & Exchange Commission of Pakistan, and Pakistan Stock Exchange for their continued support in fostering the growth of Islamic finance in Pakistan. I would also like to thank our customers, shareholders, the Shariah Supervisory Board, and the Board of Directors for their trust and confidence in BankIslami's mission. I also acknowledge the contribution made by the management and the employees of the Bank in its growth. We remain committed to delivering sustainable value creation for all stakeholders and further strengthening our position as a leading Islamic financial institution.



Suleman Lalani

Chairman of the Board of Directors

February 18, 2026

Place: Karachi

چیسر مین کا تجزیہ

2026 کی طرف پیش قدمی کرتے ہوئے، بینک اسلامی اپنی حکمت عملی کی ترجیحات پر ثابت قدم ہے، جس کی بنیاد پائیدار بینکاری اور شریعت سے ہم آہنگ حل پر ہے۔ ہماری توجہ نظم و ضبط کے ساتھ ترقی اور ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے لیے ڈیجیٹل توسیع پر مرکوز ہے۔

ہمارے 2026 کے مقاصد کا کلیدی حصہ جدید تجزیاتی نظام اور مصنوعی ذہانت (AI) کا مربوط استعمال ہے تاکہ آپریشنل کارکردگی کو بہتر بنایا جاسکے، رسک مینجمنٹ کو بہتر بنانے اور صارفین کے تجربے کو اعلیٰ سطح پر لایا جاسکے۔ ہم مالیاتی شمولیت، خاص طور پر چھوٹے اور درمیانے درجے کے کاروباری اداروں (SMEs)، تجارتی صارفین اور پسماندہ طبقات کو باختیار بنانے کے لیے پر عزم ہیں۔ مستحکم سرمائے اور لیکویڈیٹی کی بنیادوں کے ساتھ، ہم طویل مدتی کارکردگی کے لیے پر عزم ہیں۔ مزید برآں CASA اکاؤنٹ میں اضافے اور مصنوعات کے تنوع پر ہماری توجہ فنڈز کے کم لاگت حصول کو یقینی بناتی ہے جو ہماری مسابقتی برتری کو مزید مستحکم کرتا ہے۔

میں اسٹیٹ بینک آف پاکستان، وزارت خزانہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور پاکستان اسٹاک ایکسچینج کا شکریہ ادا کرتا ہوں کہ انہوں نے پاکستان میں اسلامی مالیات کی ترقی کے لیے اپنی حمایت جاری رکھی۔ میں اپنے صارفین، حصص یافتگان، شریعہ سپروائزر بورڈ، اور بورڈ آف ڈائریکٹرز کا بھی شکریہ ادا کرتا ہوں جنہوں نے بینک اسلامی کے مشن پر اپنے اعتماد کا اظہار کیا۔ میں بینک کی ترقی میں انتظامیہ اور ملازمین کی خدمات کا بھی اعتراف کرتا ہوں۔ ہم تمام شراکت داروں کے لیے پائیدار قدر پیدا کرنے اور ایک معروف اسلامی مالیاتی ادارے کے طور پر اپنی پوزیشن کو مزید مستحکم کرنے کے لیے پر عزم ہیں۔



سلیمان لالانی

چیسر مین آف بورڈ آف ڈائریکٹرز،

18 فروری 2026

جگہ : کراچی

چیسر مین کا تجربہ

میں بینک اسلامی پاکستان لمیٹڈ کی 31 دسمبر 2025 کو ختم ہونے والے سال کی سالانہ رپورٹ پیش کرتا ہوں۔ اپنی پیشرفت کا جائزہ لینے سے پہلے، میں انتہائی افسوس کے ساتھ ہماری محترم ڈائریکٹر ڈاکٹر شمشاد اختر کے انتقال کا ذکر کرنا چاہتا ہوں۔ بینک کے لیے ان کی گراں قدر بصیرت، لگن اور غیر معمولی خدمات کو ہمیشہ یاد رکھا جائے گا اور ہم بینک اسلامی میں ان کی لازوال خدمات کو ہمیشہ خراج عقیدت پیش کرتے رہیں گے۔

معاشی تبدیلیوں کا یہ سال، جو پالیسی ریٹ میں کمی، محصولات کے بڑھتے ہوئے بوجھ، اور اسلامی بینکنگ اداروں (IBIs) کے لیے کم از کم ڈیپازٹ ریٹ (MDR) کی شرط کے نفاذ جیسے عوامل سے عمارت رہا، بینک اسلامی نے 6 ارب روپے کا بعد از حصول منافع حاصل کیا۔ بینک نے ایک متوازن دو طرفہ حکمت عملی اختیار کی جس میں کاروباری حجم میں اضافے اور غیر مالیاتی آمدنی کے ذرائع تلاش کرنے پر توجہ دی گئی، جبکہ ساتھ ہی پائیدار ترقی اور افادیت میں اضافے کے لیے طویل مدتی لائحہ عمل کو بھی آگے بڑھایا گیا۔ اہم سنگ میل میں aik کا آغاز شامل ہے، جو پاکستان کا پہلا مکمل اسلامی ڈیجیٹل بینکنگ حل ہے؛ زر مبادلہ اور ترسیلات زر کے شعبے میں وسعت کے لیے BIPL ایچجی کمپنی (پرائیویٹ) لمیٹڈ کا قیام، اور کلفٹن، کراچی میں ایک 32 منزلہ تجارتی ٹاور کا حصول شامل ہے، جس نے ہمارے تنظیمی ڈھانچے اور کارپوریٹ وقار کو مزید مستحکم کیا ہے۔

بورڈ اپنی حکمت عملی کے بنیادی ستون کے طور پر کارپوریٹ گورننس کے اعلیٰ ترین معیارات پر عمل درآمد کے لئے پر عزم ہے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق، ہم نے بورڈ، اس کی کمیٹیوں اور انفرادی قیادت بشمول چیسر مین اور صدر و سی ای او کی کارکردگی کا آزادانہ جائزہ کے لیے "Grant Thornton Anjum Rahman" کی خدمات حاصل کیں۔ اس عمل نے تعمیری بصیرت فراہم کی جس نے ہمارے انتظامی ڈھانچے اور عملی افادیت کو مزید استحکام بخشا ہے۔

ضوابط کی پابندی کے ساتھ ساتھ، ہم مسلسل پیشہ ورانہ ارتقا کو ترجیح دیتے ہیں۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بینک نے ڈائریکٹر ٹریننگ پروگرام (DTP) کی ضروریات پر 100 فیصد عملدرآمد برقرار رکھا ہے۔ اس بات کو یقینی بنانے کے لیے کہ ہماری قیادت بدلتے ہوئے پیچیدہ منظر نامے میں مستعد رہے، ہمارے ڈائریکٹرز نے اسلامی بینکاری، پائیدار ترقی کے اہداف (SDGs)، سائبر سیکیورٹی، اور اینٹی منی لانڈرنگ (AML/CFT) کے ضوابط پر مبنی خصوصی تربیت حاصل کی ہے۔ فکری سرمایے میں مسلسل سرمایہ کاری بینک کے طویل مدتی استحکام اور ڈیجیٹل تبدیلی کی نگرانی کی ہماری صلاحیت کو مضبوط بناتی ہے۔

بورڈ نے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے 1.25 روپے فی حصص کے حتمی نقد منافع منقسمہ کی تجویز دی ہے، جو آئندہ سالانہ اجلاس عام میں منظوری سے مشروط ہے۔ سال کے دوران پہلے سے جاری کردہ 1.5 روپے فی حصص (15 فیصد) کے عبوری نقد منافع منقسمہ کے ساتھ سال 2025 کے لیے مجموعی نقد منافع منقسمہ 2.75 روپے فی حصص ہو جائے گا۔

DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

On behalf of the Board of Directors, we are pleased to present the Directors' Report of BankIslami Pakistan Limited ('the Bank' or 'BankIslami') on the annual audited Financial Statements for the year ended December 31, 2025.

Principal Activities

BankIslami is a licensed Scheduled Islamic Commercial Bank offering a comprehensive range of Shariah compliant financial solutions through a network of 569 branches (including 60 sub-branches) nationwide. The Bank serves a diversified clientele across Corporate, Commercial, SME, Agri, Consumer, and Retail segments. Foreign exchange and remittance services are provided through its wholly owned subsidiary. As a leading Islamic financial institution, the Bank's strategy is anchored in sustainable growth, digital transformation, and the expansion of financial inclusion

Economy Snapshot & Industry Outlook

Brief Overview on Economy

Pakistan's economy maintained stability during the year under review. While growth remained subdued during FY2024-25, a recovery is visible during the current fiscal year, shaped by disciplined macroeconomic management, improved coordination with international financial partners including International Monetary Fund (IMF), and a cautious policy environment aimed at restoring confidence and preserving financial stability.

Real GDP growth remained moderate at 2.68% for FY2024-25 led by the Industrial sector. Building up on the recovery momentum, GDP growth for the first quarter of FY2025-26 stood at 3.71%. This growth was primarily driven by an across the board growth in Industrial sector with an overall growth of the sector of 9.38%. Agriculture sector despite witnessing severe floods leading to lower crop output, managed to report a growth of 2.89%. The Services sector continued to provide resilience to overall growth. SBP is expecting real GDP growth for the ongoing fiscal year in the range of 3.25% to 4.25%. The recovery is expected to be supported by a low interest rate environment, and a rebound in domestic demand.

Disinflationary trend continued and inflation declined sharply with average inflation for FY2024-25 of 4.49% compared to 23.41% of FY2023-24. This trend was driven by tight monetary conditions maintained earlier in the cycle, easing global commodity prices, stable exchange rate, and administrative measures in energy pricing. While food inflation exhibited volatility due to supply-side factors, overall price stability improved significantly.

Going forward, with food prices expected to come down as supply side improves, inflation is expected to remain stable with a slight increase towards the end of the fiscal year primarily due to base effect. Continued supply shocks in food items, and upsurge in international commodities' prices considering the current geo political conditions are key risks to inflation expectations.

In response to the persistent disinflation, healthy external account, and continued slowdown in growth, Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) reduced policy rate by 1,150 basis points to 10.5% between June 2024 and December 2025. As real interest rates are still significantly positive with anchored inflation expectations, further rate

cuts cannot be ruled out. However, Monetary Policy is expected to remain data dependent, balancing the objectives of supporting growth while safeguarding price and external stability.

Fiscal consolidation remained a central feature of economic management during the year under review. Pakistan managed to contain fiscal deficit to 5.4% of GDP during FY2024-25 compared to a deficit of 6.8% in FY2023-24. Although tax collection by Federal Board of Revenue (FBR) increased by 26.1% in PKR terms, to 10.3% of GDP compared to 8.8% in the previous year, it remained significantly behind the target set by IMF, due to slowdown in GDP growth and trade activity, and lack of implementation of enforcement measures. Rs. 2.4 trillion profit received from profit of SBP played a crucial role in containing the overall deficit and posting the highest ever and second in a row Primary Surplus of 2.2% of GDP meeting IMF's target. Fiscal consolidation is anticipated to continue as tax revenue is falling behind the targets set by the IMF while lower interest rates are likely to bring down debt servicing burden of the Federal government.

On the external front, Pakistan's balance of payments position improved where workers' remittances remained robust, providing critical support to the current account that reported a surplus after thirteen years in FY2024-25. Exports during the year were unable to mark an impression while import demand was contained due to moderate economic activity. Foreign exchange reserves strengthened where SBP held reserves as at December 31, 2025 were at USD 15.9 billion covering over 3 months of imports. The exchange rate remained stable depreciating by only 0.7% during the year 2025, reducing volatility in financial markets and supporting external confidence.

As a result of the overall macroeconomic progress of the country, leading international credit rating agencies upgraded Pakistan's sovereign credit ratings that would be a critical development towards tapping international bond market, going forward.

With a gradual pick-up in economic activity in the country, current account is expected to close the year in deficit of up to 0.5% of GDP, as trade deficit rises amidst pickup in economic activity while remittances remain strong.

(Source: SBP Monetary Policy Statement, SBP data and News Reports)

Banking Industry Outlook

The financial sector remained stable and well capitalized throughout the year. The banking system demonstrated resilience, supported by strong liquidity, prudent risk management, and improved asset quality indicators. Profitability remained sound, reflecting effective balance sheet management, stable margins, and growth in non-funded income streams, despite a gradually easing interest rate environment.

Excluding the two large banks viz. NBP and UBL which posted significant growth, the banking industry recorded a 14.1% decline in bottom line profitability for the nine months ended September 30, 2025. However, on an overall basis, the industry reported profit growth of 12.4%, primarily driven by higher Net Interest Income, despite further monetary easing, including a cumulative 200 bps policy rate cut during the period. The sector managed this feat by expanding on volumes and efficiently, managing interest expenses alongside the regulatory changes related to exclusion of certain depositors from applicability of the minimum deposit rate. Although a key change during this period was the increase in corporate tax rate after the abolishment of the ADR based tax, the bottom line expanded regardless. It is pertinent to note that the bottom line growth was also supported by non-markup income that surged on account of higher FX and capital gains.

Islamic banks continued to outperform the overall sector in terms of expansion of Balance

Sheet. As on September 30, 2025, Islamic deposits stood at Rs. 9,850 billion depicting year on year growth of 29.7%. Total assets and financings (net) increased by 28.3% and 26.4%, respectively. Investments (net) also increased by 30.7%.

Going forward, with interest rates flattening and a vulnerable external account leading to continued exchange controls, the banking sector is likely to observe a stagnation in core income. Operating efficiencies and non-fund income are likely to help the sector in maintaining and improving its bottom-line in the short term. However, in the medium to long term, banking sector would be the major beneficiary of economic growth through expansion of balance sheets.

(Source: SBP – Economic Data, Publications and News Reports)

Significant Transactions

Alhamdulillah, the Bank has successfully concluded the year 2025, characterized by the disciplined execution of our strategic roadmap focused on sustainable growth and long-term value creation. A pivotal milestone this year was the launch of 'aik', Pakistan's premier Islamic digital banking solution. By harmonizing Shariah principles with cutting-edge technology, 'aik' delivers a seamless, secure, and modern banking experience tailored for the tech-savvy demographic.

In a significant move to diversify our revenue streams, the Bank incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary on August 08, 2025. This venture into foreign exchange and remittances strengthens our group presence and bolsters our capacity for long-term stakeholder value. Furthermore, the acquisition of a 32-storey landmark commercial tower in Clifton, Karachi, serves as a testament to our expanding operational footprint and our commitment to establishing a sophisticated corporate presence.

Overview of Financial Performance

Following are the key financial highlights for the year ended December 31, 2025:

Key Balance Sheet Numbers	2025	2024	Change %
----- Rupees in 000 -----			
Deposits	660,183,339	559,177,932	18.06%
Financing & related assets - net	291,750,609	296,097,250	-1.47%
Investments - net	322,887,104	345,051,553	-6.42%
Due to FI	14,613,108	87,662,161	-83.33%
Due from FI	18,999,952	4,257,928	346.23%
Net Assets	48,613,908	48,309,276	0.63%

Key Income and Expense Numbers	2025	2024	Change %
----- Rupees in 000 -----			
Profit / return earned	74,234,782	112,800,697	-34.19%
Profit / return expensed	38,583,707	66,414,069	-41.90%
Net spread earned	35,651,075	46,386,628	-23.14%
Fee, commission and other income	9,514,742	4,590,534	107.27%
Total Income	45,165,817	50,977,162	-11.40%
Operating Expenses	31,427,228	22,159,072	41.83%
Profit before Taxation	13,963,505	25,529,701	-45.30%
Profit after taxation	6,002,782	11,833,541	-49.27%
Earnings per share (in rupees)	5.4142	10.6733	-49.27%

Alhamdulillah, the Bank sustained its strong upward momentum and achieved a significant milestone by expanding its deposit base by more than Rs. 100 billion for the second time in a decade, closing the year at Rs. 660 billion. This impressive 18.1% year on year growth underscores the increasing trust of our customers and stands as a testament to the Bank's unwavering commitment, disciplined strategy, and focused efforts to build a resilient and diversified deposit base.

CASA deposits, a key strength of the Bank, consistently remained well above 60% over the past years however, it is third time in a decade that the Bank has surpassed CASA mix of 70% and reached to 71.2% this year, supported by improvement in current deposits by 35.2% and saving deposits by 18.1% from last year, highlighting the Bank's focus on sustainable, low cost funding. Term deposits remained largely stable recording a slight decrease of 1% from Rs. 191.8 billion in previous year to Rs. 189.8 billion this year. This minor reduction reflects the Bank's focus on maintaining a balanced and cost effective deposit mix while prioritizing CASA growth and low cost funding. The stable term deposit base continues to provide a reliable source of funds for planned assets deployment and liquidity management. Overall increase in deposits is attributed to the strategic approach towards catering the specific needs of various market segments by providing them the products they need.

During the year, Bank's financing portfolio showed a marginal decline of 1.5% and stands at Rs. 291.7 billion at the end of 2025 with ADR standing at 48.8%. Despite a marginal decline, asset quality continued to improve, with the infection ratio declining to 6.8% from 7.4% last year, reflecting effective risk monitoring and credit management. The Bank's measured lending approach, focused on high-quality credit exposures, has underpinned stable growth, enhanced liquidity, and strengthened resilience against potential credit risks. Within this disciplined framework, the Bank continues to expand its product offerings in a controlled manner, launching gold based and personal secured financing solutions to address genuine customer need such as medical, educational, marriage, travel, and the settlement of conventional liabilities while maintaining prudent risk management and strict adherence to Shariah principles.

The Bank's investment portfolio has demonstrated consistent growth over recent years, reflecting a prudent and well-diversified investment strategy. During the year, the Bank's equity and sukuk portfolio registered a growth of 2.8%; however, on an overall basis, the investment portfolio declined by 6.4%, primarily due to the conversion of Pakistan Energy Sukuks (PES) into financing. This conversion was undertaken by the Government of Pakistan as part of its broader debt management and circular debt resolution strategy, resulting in the reclassification of these instruments into longer-tenor financings. Consequently, the Investment-to-Deposit ratio declined to 49.2% from 62.1% last year.

To enhance liquidity management and balance-sheet flexibility, the Bank strategically deployed excess liquidity into short-term Musharakah placements, with the portfolio increasing by Rs. 14.7 billion. This portfolio realignment was aimed at optimizing risk exposure and strengthening liquidity management, while remaining fully aligned with the Bank's overall balance-sheet strategy.

A strong and resilient capital base remains fundamental to supporting the Bank's growing asset portfolio and risk taking capacity. As of December 31, 2025, bank's Capital Adequacy Ratio (CAR) stood at 16.6% well above the applicable regulatory threshold of 11.5%. However, it is lower than the last year level of 24.1%. The decline was primarily due to the settlement of long term facility obtained from the SBP, eligible Tier-2 capital, coupled with an increase in risk-weighted assets driven by higher investments and non-funded exposures. These included the acquisition of a landmark 32-storey commercial tower in Clifton, Karachi, acquired as part of the Bank's strategic expansion to strengthen operational capacity and

establish a modern corporate presence. Despite reduction, the CAR remains comfortably above the regulatory minimum requirement, underscoring the Bank's strong capital position and prudent risk management.

A sharp reduction in policy rates, which declined by half from 22% in June 2024 to 10.5% by December 2025, had a negative impact on the net margins of the Bank. This pressure was further compounded by a regulatory change effective January 01, 2025, requiring all Islamic Banking Institutions (IBIs) to pay profit on savings deposits at a minimum of 75% of the weighted average gross yield of their investment pools. Consequently, spreads contracted by 23.1% on a year-on-year basis.

Despite these challenges to core financing income, the Bank's strategic focus on income diversification yielded positive results, with Non-Funded Income (NFI) increasing by 107.3%, thereby containing the overall decline in total income to 11.4%. Operating expenses, however, increased by 41.8% year on year, largely due to inflationary pressures and the Bank's continued investment in strategic initiatives, including branch network expansion and technology enhancements aimed at customer convenience and supporting long-term sustainable growth.

Due to above factors the profit before tax decreased by 45.3%. Going forward, the Bank will remain focused on optimizing its cost and enhancing revenues by making investment in value added business growth initiatives and investing in technology to improve customer convenience and operational efficiencies.

Group Results

Principal Activities

The principal activities of the Group's material and significant operations are as follows:

- BankIslami Pakistan Limited (Holding Company) – Scheduled Islamic Commercial Bank
- Shakarganj Food Products Limited (Associate) – Manufacturing, Processing and Sale of Food Products
- BIPL Exchange Company (Private) Limited (Subsidiary) – Foreign Exchange Dealings and Remittances

Financial Performance of the Group

In 2025, the Group recorded a growth of 4.4% in total assets, reflecting an improvement in its overall financial position. This growth was primarily driven by an expansion in financing activities and increase in Government of Pakistan (GoP) Ijarah Sukuks. Despite significant reduction in policy rates during the year, which had a negative impact on the profitability, the Group delivered a post-tax profit of Rs. 6 billion. This represents a decline of 49.3% compared to the previous year. The impact of lower policy rate was partially offset by expansion in earning assets and growth in profit-bearing liabilities.

Dividend to Shareholders

The Board of Directors has recommended a final cash dividend of Rs. 1.25 per share (12.5%) for the year ended December 31, 2025, subject to shareholders' approval at the upcoming Annual General Meeting (AGM). This brings the total cash dividend for the year to Rs. 2.75 per share, including the Rs. 1.5 per share (15%) interim dividend paid earlier.

Future Strategy

BankIslami enters the next phase of its journey from a position of strengthened profitability, expanding market relevance, and deepening stakeholder trust.

Grounded in its purpose of delivering Riba-Free banking and ethical financial solutions to serve humanity, the Bank's strategy for the coming years is focused on building scale with discipline, strengthening core banking franchises, leveraging technology to improve productivity and customer experience, and positioning BankIslami as a leading Islamic Bank.

The Bank's primary financial priority is to continue strengthening its funding base through sustained growth in stable, low-cost deposits while maintaining a prudent, well-diversified financing portfolio. Asset expansion will remain focused on economically productive sectors including SMEs, trade and supply-chain businesses, infrastructure, and consumer Islamic financing, supported by risk selection and portfolio monitoring. Capital strength, liquidity discipline, and profitability will remain non-negotiable foundations.

The Bank is executing a deliberate shift toward a phygital operating model that combines its branch network with strong digital capabilities. Technology investments in analytics, artificial intelligence, and cloud infrastructure are being deployed to improve credit decision making, fraud management, customer personalization, and operating efficiency, lowering cost and increasing scalability.

Sustainable finance and strong governance are integral to the Bank's long-term value creation. The Bank is expanding financing in renewable energy, responsible infrastructure, and socially impactful sectors, while actively supporting financial inclusion for SMEs and underserved communities. Governance standards, risk controls, compliance, and cybersecurity will continue to be strengthened to protect the franchise and ensure resilience across economic cycles.

People remain the Bank's most important asset. Continued focus on leadership development, and performance accountability will support strategic delivery at scale.

Through disciplined execution, clear financial priorities, and continuous improvement, BankIslami is building a stronger, more resilient Islamic banking institution capable of delivering sustainable profitability and long-term shareholder value, while remaining focused on our principles of Riba-Free, responsible banking.

Trends and Factors Likely to Affect the Future Development, Performance and Position of the Bank

The Board of Directors and Management of the Bank are firmly dedicated towards evaluating the performance of the organization while making sure that the Bank is advancing in accordance with its Strategic Business Plan. The Management on more frequent basis and the Board at least once a quarter, meets to assess the Bank's performance versus operating and financial budgets and the key performance indicators. While assessing the KPIs, the Board and the Management take into consideration various elements that may potentially affect the Bank's future performance, possibly requiring short-term modifications in its Strategic Plan and Budgeted targets. These factors include:

- Economic and political situation of the Country.
- Change in policy rate and its consequences on pricing of assets and liabilities of the Bank.
- Variation in exchange rates.

- Macroeconomic indicators.
- Changes in laws, regulations, rules, corporate taxation and accounting framework.
- Competitive landscape.
- Capital adequacy.
- Availability of Shariah compliant investment avenues.
- External risks connected to geo-political and law & order situation.
- Technological disruptions.
- Social and environmental changes.
- Business continuity in times of crisis, natural disaster and political uncertainty.

Corporate Social Responsibility

Following its mission of ‘Saving Humanity from Riba’ while upholding Social Responsibility, BankIslami has always embraced Corporate Social Responsibility (CSR) as one of its core beliefs that consistently replenishes the heart of the organization. As an Islamic institution, the Bank ensures its welfare initiatives encompass all segments of society, with a prioritized focus on the well-being of neglected and underserved communities. The Bank mainly carries out major benevolent activities in partnership with Future Trust.

Following is a brief on the major CSR activities carried out during 2025:

- The Abdul Majid Foundation (AMF) is a premier philanthropic institution managing vast activities in healthcare, education, and social welfare. Through its hospitals and schools, it has served millions of individuals for decades. BankIslami is honored to support the Foundation in these noble activities, contributing to a legacy of service that aligns with the goals of quality education and good health.
- SHED Foundation is a comprehensive welfare organization dedicated to providing internationally compatible education and healthcare services to underserved communities. BankIslami remain committed to supporting SHED’s dedicated efforts in uplifting the community through these essential services.
- Youth Catalyst Pakistan is also supported by the Bank to foster community development and socio-economic empowerment for the youth. The organization focuses on creating opportunities for the younger generation to establish a sustainable future through leadership and advocacy and provide education, skill development & health care services to our young people.
- Other than the above, Bank also supports multiple trusts and organizations, which is discussed in detail in CSR section of the Annual Report.

Charity and Donations

To further strengthen its commitment to social equity, BankIslami manages a dedicated Charity Account derived from Shariah non-compliant income, purification of dividends, and late payment charges. These disbursements represent our sincere commitment to society, providing essential support to organizations that serve the common good. The detail of our charity disbursements is presented in Note 23.2.1 of the unconsolidated financial statements.

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The Bank further extends its welfare efforts through 'Islami Khair Current Account', where a certain percentage of the income generated from customers' balances is utilized to support charitable and welfare initiatives, allowing customers to contribute towards social causes without any financial sacrifice. Collectively, these initiatives reinforce our foundational pillars of financial inclusion and community empowerment.

Customer Service and Complaint Management

BankIslami is committed to delivering Shariah-compliant, customer-focused financial solutions that align with ethical banking principles. The Bank takes pride in serving customers the right way, ensuring fairness, transparency, and a Riba-Free financial experience. To reinforce this, Fair Treatment of Consumers (FTC) is embedded in the Bank's service culture, supported by a robust Consumer Protection Framework that safeguards customer interests at every stage of their banking journey.

BankIslami prioritizes accessibility, service excellence, and innovation in designing, selling, and managing its products ensuring fairness without discrimination. The Bank's Service Quality Department drives initiatives to enhance customer experience, regularly introducing improvements that make banking more seamless and convenient. Customer-facing channels adhere to strictly monitored Key Service Indicators. Staff training on service excellence and complaint management is conducted on a continuous basis, reinforcing the Bank's commitment to quality.

To ensure continuous enhancement, the Service Excellence Committee (SEC), chaired by the President & CEO, meets quarterly to review service quality benchmarks, identify process improvements, and eliminate redundancies. The committee also assesses customer experience metrics, stakeholder feedback, and market trends to strengthen service delivery.

Service Quality and Customer Experience

BankIslami remains steadfast in its commitment to delivering Shariah-compliant, customer-centric financial solutions anchored in fairness and transparency. Throughout 2025, the Bank underwent a strategic transformation, evolving from reactive issue resolution to a proactive Customer Experience (CX) framework designed to anticipate and eliminate friction points across the banking journey. Central to this evolution is the integration of Service Quality, Contact Centre, and Customer Engagement into a unified SQ & CX structure, ensuring a "One Bank, One Experience" approach for our stakeholders.

Our service culture is now governed by an enhanced CX Governance Unit, established to ensure rigorous compliance with the State Bank of Pakistan's (SBP) Business Conduct & Fair Treatment of Consumers Regulatory Framework (BC&FRF). This oversight is bolstered by the dissolution of the SEC Committee in favor of a specialized Business Conduct & FTC Committee, elevating management-level accountability for consumer protection.

To maintain physical excellence, our Field Support & Branch Excellence team conducted over 4,900 coaching and audit sessions this year. This on-ground engagement resulted in a significant performance shift.

Digital Transformation and Innovation

In line with our "AI-Powered Omni-channel Vision," the Bank has accelerated the digitalization of its service architecture:

- **Intelligent Interaction:** The Bank is transitioning to a fully integrated AI ecosystem, including the deployment of AI-powered training modules and advanced sentiment analysis to better understand the "Voice of Customer" (VoC).

- **Operational Efficiency:** The implementation of automated Operational Level Agreements (OLAs) across 17 key service areas including remittance, clearing, and account services has streamlined internal workflows and improved transparency.
- **Accessibility:** Our “Tarjuman” video banking service continues to offer specialized support for Persons with Disabilities (PWDs), ensuring our innovative solutions remain inclusive.

Customer Grievance Redressal

BankIslami maintains a robust and accessible grievance mechanism, achieving 100% compliance in acknowledging complaints within 48 hours. While 2025 saw a total of 110,339 complaints largely driven by initial system stabilization following new digital launches, the Bank achieved a 46% reduction in monthly complaint volumes by year-end, falling from a peak of over 14,816 in March to 6,713 in December.

2025 Performance Highlights:

- **Resolution Efficiency:** Achieved an average resolution Turnaround Time (TAT) of 3.5 working days, an improvement over the previous year.
- **Regulatory Excellence:** Maintained a 99.98% average resolution rate against complaint TATs mentioned by SBP.
- **Service Sentiment:** Despite high volumes, our Net Promoter Score (NPS) remained strong at an average of 94%, reflecting continued new to bank customer trust in our human-to-human interactions.

Looking ahead to 2026, BankIslami will focus on the deployment of a Customer Data Platform (CDP) to provide a 360-degree view of our customers, further driving our mission to save humanity from Riba through world-class, customer-centric service.

Compliance

The Bank continues to strengthen its compliance and control environment, ensuring alignment with regulatory requirements, Shariah principles, and international best practices while reinforcing a culture of governance and accountability across all operations. During the year, the Bank further enhanced centralized oversight across Anti-Money Laundering (AML), Sanctions Compliance, Regulatory Compliance, and Fraud Management functions through improved governance mechanisms and deployment of advanced technology solutions.

Efforts are underway to centralize key compliance reporting processes enabling improved efficiency, consistency, and oversight. Monitoring capabilities are being strengthened through the ongoing upgrade to Oracle FCCM and deployment of real-time sanctions screening solutions, enhancing detection and prevention of suspicious and prohibited transactions. To mitigate Trade-Based Money Laundering (TBML) risks, the Bank has operationalized external intelligence tools ensuring effective scrutiny of trade transactions in line with the approved TBML policy framework. The Regulatory Compliance function continued to demonstrate strong performance in maintaining structured governance through monitoring of regulatory directives. Concurrently, the Fraud Management Unit progressing with implementation of an Enterprise Fraud Management Solution, expanded monitoring coverage for digital payment channels. Complementing system enhancements, the Bank continued to promote customer awareness against emerging digital fraud threats through multi-channel communication initiatives.

Together these collective initiatives further reinforce the Bank's control framework, ensuring resilience against financial crime risks and strengthening stakeholder confidence in the Bank's governance and compliance practices.

Statement of Internal Controls

The Board of Directors is fully committed to upholding the highest standard of Corporate Governance and ensuring that an effective internal control system is in place to mitigate the risk of not achieving our business objectives. This system is implemented and monitored by an independent Audit Department that reports directly to the Board Audit Committee. The Board is pleased to endorse the management's statement of internal control, including their evaluation of Internal Control over Financial Reporting presented in the Annual Report.

Risk Management Framework

The objective of risk management is to effectively manage uncertainties that arise in the normal course of business activities. It is one of the key imperatives of the banking business through which the Bank manages entity-wide risks with the aim of maximizing risk-adjusted returns while remaining within the set risk parameters.

The Risk Management Group has the following departments, headed by senior executives, reporting to the Group Head - Risk Management:

- Corporate / Commercial / SME / Agri Credit Risk Management
- Consumer Credit Risk Management
- Enterprise Risk Management
 - Operational Risk Management
 - Business Continuity Planning
 - Internal Controls over Financial Reporting
 - Policies & Procedures
 - Market Risk & Liquidity Risk
 - Credit Portfolio Monitoring
 - Environment Risk
- Information Security
- Special Assets Management
- Consumer Collection and Recovery
- Data Analytics & Transformation
- Credit Administration

Specialized committees, comprising members from senior management with relevant experience and expertise, perform their functions in line with the overall strategy set by the Board to ensure exposures remain within risk appetite. The committees include:

- 1. Management Credit Committee (MCC):** Ensures that credit risk activities align with Board-approved policies, regulatory requirements, the Bank's risk appetite, and best industry practices.

- 2. Asset Liability Committee (ALCO):** Reviews market and liquidity exposures, assets and liabilities maturity profiles, sets pricing, and takes decisions for sound liquidity management regarding long-term assets and quality acquisitions.
- 3. Portfolio & Remedial Assets Management Committee (PRMC):** Oversees portfolio / recovery strategy, including risk-return trade-offs and diversification, ensuring alignment with the Bank's strategic objectives and risk appetite.
- 4. Operation Risk Management Committee: (ORMC):** Operational Risk Committee governs operational risk and business continuity, overseeing framework implementation and analyzing root causes of losses. It approves mitigation plans, monitors KRI breaches, and aligns operations with the bank's risk appetite.

Policies and processes have been amended to make them more stringent, leading to further improvement in asset quality.

The risk associated with Equity, Foreign Exchange, and Liquidity is continuously assessed by the Market Risk function. Stress testing and sensitivity measures are used as risk management tools to monitor and manage market risk. Asset quality is ensured through well-defined financing policies and procedures, an appropriately delegated financing approval matrix, sufficient collateral coverage, its documentation, and periodic reviews. Growth in financing is ensured while focusing on comprehensive risk analysis and portfolio diversification. The Bank calculates value at risk for market risk assessment. Day-to-day liquidity management is done through cash flow matching, meeting regulatory reserve requirements, and maintaining adequate liquid assets. Various liquidity ratios are monitored to assess potential liquidity risks.

The role of the Market & Liquidity Risk function in monitoring treasury activities has been strengthened with various limits structuring, their monitoring, reporting, and system improvements. Loss data reporting, self-assessment of risk and control, enhanced coverage of key risk indicators, documenting, and improving Bank processes through risk identification and mitigations demonstrate continuous improvements in the operational risk management framework.

Continued efforts are being made to enhance the scope of a robust Operational Risk Management Framework. The Bank has an internal operational risk awareness program aimed at building capacity and inculcating a risk-free culture in the staff through training and on-job awareness, promoting greater risk awareness.

The Bank has maintained a CAR of 16.6% as of December 31, 2025, well above the regulatory threshold of 11.5%. The Bank is managing its CAR by carefully monitoring and managing the risk profile of its asset portfolio.

BankIslami has implemented an extensive Information Security (IS) program and governance structure to manage the security of its information and technology-based assets. The sensitive information managed by the Bank, including data entrusted to BankIslami by its customers, partners, and staff, is among the Bank's most critical assets. Given the competitive nature of the Bank's business and the significant value of the data it manages, the Risk Group, in conjunction with business and technology, has taken necessary measures to minimize the risk.

Internal Controls over Financial Reporting (ICFR)

BankIslami adheres to the State Bank of Pakistan's (SBP) Guidelines on Internal Controls, ensuring financial reporting integrity and regulatory compliance. A bank-wide process

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documentation and gap analysis has led to enhanced control mechanisms and remediation of identified weaknesses. The Bank has developed a structured management testing and reporting framework to monitor key control effectiveness, significantly improving internal oversight. Following the successful implementation of the ICFR roadmap, SBP granted the Bank an exemption in 2017 from the submission of the Long Form Report (LFR) by external auditors, reflecting regulatory confidence in the Bank's control environment.

Capital Plan

BankIslami views capital planning as a strategic priority, ensuring compliance with regulatory requirements, economic resilience, and risk absorption. A well-structured capital framework supports the Bank's long-term business strategy, enabling it to withstand stress scenarios while maintaining strong financial stability. The Bank remains aligned with Basel III and Minimum Capital Requirements (MCR) under SBP regulations, ensuring a proactive approach to capital adequacy and regulatory compliance.

Sustainability and Environmental Risk Management

Committed to sustainable banking, BankIslami integrates Environmental, Social, and Governance (ESG) principles into its financing decisions. The Environmental and Social Risk Rating (ESRR) framework is applied across Corporate and SME portfolios, classifying exposures as:

- Low Risk: 56.7% of total screened outstanding exposure
- Medium Risk: 43% of total screened outstanding exposure
- High Risk: 0.3% of total screened outstanding exposure

The Bank's low level of high-risk exposures reflects the effectiveness of its internal risk management policies. To address and mitigate environmental and social risks, BankIslami has undertaken the following measures:

- Conducting enhanced due diligence for all high-risk sectors.
- Integrating Environmental and Social Risk Rating (ESRR) into the credit approval process.
- Promoting green financing initiatives, such as funding renewable energy projects and eco-friendly ventures.
- Monitoring compliance with regulatory requirements related to environmental and social risk management.
- As the part of its sustainability agenda Bank aims to expand solar energy integration across branches and ATM network to lower operational emissions.
- Conducting in-house trainings for Credit, Corporate, and SME teams to enhance their understanding of Environmental & Social Risk Management (ESRM) and its practical application in decision-making.

Diversity, Equity, and Inclusion (DE&I)

Building a culture of inclusion remains central to BankIslami's purpose and performance. We strive to create an environment where colleagues feel safe, respected and valued for their individual perspectives, skills and experiences.

During 2025, the Bank continued to strengthen inclusive workplace practices that promote fairness, respect and equal opportunity across all functions and levels. Our DE&I agenda is embedded within people policies, leadership behaviors and organizational culture, ensuring that every colleague is empowered to contribute meaningfully to the Bank's success. Responsibility for fostering an inclusive environment rests with every People Leader and colleague across the Bank.

As at year-end 2025, BankIslami employs 1,251 women, accounting for 17.01% of the total workforce. From Dec 2024 to Dec 2025, female headcount rose by 23.74% reflecting the Bank's sustained focus on gender diversity across the organization. Minority representation stood at 86 employees, accounting for 1.17% of the total workforce. These figures guide ongoing workforce planning and inclusion strategies, ensuring continuous improvement in representation and equity.

The Bank advanced its commitment to inclusion through targeted initiatives focused on gender diversity, equitable talent practices and employee awareness. We offer progressive, socially responsible benefits like Childcare Allowance, Mother Baby Care Basket for new mothers, a comprehensive suite of leaves (e.g., disability, iddat, maternity, paternity and pilgrimage) that recognize the varied needs, priorities and life stages of its workforce. Clear anti-discrimination policies establish shared standards around harassment, bullying, discrimination and victimization. Our holistic approach to compensation, flexible time arrangements, wellbeing initiatives and learning programs supports colleagues in maintaining a healthy work-life balance while building sustainable careers. Collectively, these initiatives reinforce a workplace culture grounded in merit, dignity and opportunity.

Beyond workplace policies, the Bank continues to champion women empowerment through dedicated platforms and customer focused solutions. Through Mashal Women Banking, the Bank offers banking products tailored specifically for women customers, enabling greater financial inclusion and independence. Internally, our HerQadam platform focuses on the professional development of female employees. The Bank has arranged female engagement sessions with senior leaders, awareness sessions on topics such as "Women's Rights and their Role in Islam and Muslim society", Pinktober, Mother's Day, Women's Day, etc. fostering informed dialogue.

BankIslami continues to progress toward becoming a disability-confident organization by promoting accessibility, removing workplace barriers and encouraging allyship across teams. The Bank employs 17 differently-abled colleagues, representing 0.23% of the total workforce. Complimenting this focus on inclusion in service delivery, the Bank has 10 Model Branches designed specifically to meet the needs of differently-abled customers. These branches feature disability friendly infrastructure and service processes that enhance accessibility, independence and dignity for all customers.

While encouraged by the progress achieved, the Bank recognizes the need for continued advancement. Looking ahead, BankIslami remains firmly committed to nurturing a diverse, equitable and inclusive organization where every employee can realize their full potential. Through sustained leadership focus, data-led decision-making and people-centric policies, the Bank will continue to build a workplace that reflects the communities it serves and supports its ambition for responsible and sustainable growth.

Directors' Statement on Corporate and Financial Reporting Framework

The Board of Directors is fully cognizant of its responsibility under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG) issued by the Securities and Exchange Commission of Pakistan (SECP) and adopted by Sate Bank of Pakistan.

The following statements demonstrate its commitment towards maintaining high standards of Corporate Governance and Best Practices:

1. The financial statements prepared by the management of the Bank present fairly its state of affairs, the cash flow and changes in equity.
2. Proper books of account of the Bank have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements, except if disclosed separately in the financial statements, and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Bank's ability to continue as a going concern.
7. There are no debts or sukuk instruments in which the Bank is in default or likely to default.
8. There has been no material departure from the best practices of CCG.
9. The appointment terms of the Chairman and other members of the Board are in line with applicable best practices and are also in the best interest of the Bank.
10. As of December 31, 2025, the Board is compliant with respect to Directors' training requirement under CCG.
11. Transactions with related parties were conducted on arm's length basis and were carried out in the ordinary course of the Bank's business. Details of these transactions are disclosed in note 46 to the financial statements.
12. The financial statements of the Bank have been audited by the auditors of the Bank, KPMG Taseer Hadi & Co., Chartered Accountants and approved by the Board in its meeting held on February 18, 2026 for issuance to the shareholders.
13. No material changes and commitments affecting the financial position of the Bank have occurred between the end of the financial year to which these financial statements relate and the date of the Director's report.
14. The value of investments of the Bank's provident fund and gratuity fund based on unaudited accounts as at December 31, 2025, amounted to Rs. 2,769.9 million and Rs. 742.6 million, respectively.
15. Following information is enclosed as annexure to the Directors' Report.
 - i. Key operating and financial data of last six years.
 - ii. Pattern of Shareholding.

Furthermore, there was no purchase or sale of shares by the Directors, the Chief Executive, or their spouses and minor children during the year.

Compliance with Code of Corporate Governance

The Bank considers compliance with best practices of Corporate Governance as its highest priority. We are of the view that improvement in corporate governance is an ongoing process. The Board and the Management endeavor to improve and implement Bank's corporate values enabling the organization to meet the expectations of all stakeholders, including its shareholders and customers.

BankIslami also ensures transparency and merit in each and every process, particularly while dealing with customers and employees which is also reflected from its following Core Values:

- Shariah Excellence
- Meritocracy
- Team Work
- Innovation
- People Centric
- Transparency

The requirements of the Listed Companies (Code of Corporate Governance) Regulation, 2019 (CCG) issued by Securities and Exchange Commission of Pakistan (SECP) relevant for the year ended December 31, 2025 have been duly complied by the Bank. A statement to this effect is annexed with the Annual Report.

Composition of the Board

It is with deep sadness that we note the passing of our esteemed director, Dr. Shamshad Akhtar. Her wisdom, leadership, and invaluable contributions to the Board will always be remembered. We pray that her legacy continues to inspire us and remain grateful for her distinguished service to BankIslami.

In line with the requirements of the Code of Corporate Governance (CCG) and best practices, the Board of the Bank comprises of both non-executive and independent directors, including representation of a female director on the Board.

The current composition of the Board is as follows:

Total number of Directors 8*

Composition:

(i)	Independent Directors:	3**
(ii)	Non-Executive Directors:	2
(iii)	Executive Director:	2
	(a) Female Director:	1*
	(b) Male Directors:	7

* The office of a female, Independent Director has become vacant following the demise of Dr. Shamshad Akhtar on December 27, 2025. The casual vacancy will be filled in due course as per regulatory requirements.

** Excluding Dr. Shamshad Akhtar, Independent Director.

Framework for Remuneration

Chairman, non-executive directors and independent directors are entitled only for the fee and reasonable actual expenses relating to travelling, boarding & lodging for attending the Board, Committees and general meetings. Remuneration to the Directors for attending Board and Committee meetings of the Bank is being paid by the Bank as per scale approved by the Board and the shareholders in the general meeting of the Bank. A formal remuneration policy for the Board of Directors has already been approved by the shareholders.

With regards to remuneration policy for its employees, the Bank offers compensation structure to attract and retain relevant and professional employees, whereas the annual performance review and increments of the same are based on process that encourages the culture of 'pay for performance'. The Board Human Resource & Remuneration Committee (BHR&RC) is responsible to recommend the structure of compensation package of employees to Board. The Board has approved a Remuneration Policy which clearly defines the criteria for identification of Material Risk Takers (MRTs) and Material Risk Controllers (MRCs) along with mechanism to assess their performance, compensation structure and disclosure requirements.

Detail of remuneration of Chairman, President/CEO, Non-Executive Directors, Key Management Personnel and other MRTs and MRCs is disclosed in Note 42 of the unconsolidated financial statements.

Performance Evaluation Mechanism for the Board

The Bank has developed a formal and effective mechanism for annual performance evaluation of the Board as a whole, its Committees, the Chairman, Individual Directors and the President & CEO in line with the regulatory requirements. This activity is performed annually, by an external independent evaluator in compliance with the Corporate Governance Regulatory Framework issued by State Bank of Pakistan and as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019. The evaluation is conducted covering areas, particularly in respect to its composition, expertise, effective risk management, adequate system of internal controls and audit function. Based on the assessment results, areas of strength and improvement are identified followed by discussion on performance improvement plans with each individual Board member.

For the year 2025, the Bank has engaged services of Grant Thornton Anjum Rahman as an Independent External Evaluator.

Directors' Training

The Board is compliant with the Director Training Program. At present, all of the directors have completed the prescribed certification under Director Training Program (DTP) as per the requirement of Code of Corporate Governance. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

Furthermore, in compliance with the Director Training Programme requirements, the Bank organized specialized orientation and training sessions on Sustainable Development Goals (SDGs) in collaboration with the Shariah Department, as well as sessions on Cybersecurity and the AML/CFT for the Bank's Board Members.

Pattern of Shareholding

The Bank is listed on Pakistan Stock Exchange Limited. The detailed pattern and categories of its shareholding including shares held by directors and executives, if any, are annexed to the Annual Report.

Auditors

The present auditors, KPMG Taseer Hadi & Co., Chartered Accountants, have completed their term of five years, from the year 2021 to 2025, and are not eligible for re-appointment as per the Code of Corporate Governance. On behalf of the Bank, the Board would like to extend its thanks and appreciation to the retiring auditors for the services provided by them during the tenure of their appointment. On the recommendation of the Board Audit Committee, the Board has proposed the appointment of BDO Ebrahim & Co., Chartered Accountants, as statutory external auditors of Bank for the year 2026.

The appointment of external auditors will be subject to approval by shareholders of the Bank in the forthcoming Annual General Meeting. The proposed firm of auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP), and that the firm and all their partners are compliant with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as adopted by the ICAP, and meet the requirements for appointment under all applicable laws.

Credit Rating

Over the last three years, the Bank remains successful in maintaining its long term credit rating to 'AA-' with short term rating at 'A1', with a stable outlook highlighting the stability of its credit profile, financial strength and positive performance. The credit rating of the Bank's unsecured, subordinated and listed Additional Tier-1 Sukuks are 'A'. These ratings have been conducted by Pakistan Credit Rating Agency (PACRA).

Litigations

The Bank is party to various litigations either initiated by it or initiated against it by various parties. The Bank is confident, based on the legal advice that there exists no material uncertainty due to these litigations. Updates and developments with respect to major cases and contingencies are mentioned in note 26.3 to the financial statements.

Acknowledgements

The Board wishes to express its profound gratitude to the State Bank of Pakistan for their invaluable assistance and guidance. Additionally, we extend our appreciation to the Securities and Exchange Commission of Pakistan and other regulatory bodies for their unwavering support towards the Bank's endeavors. Our sincere gratitude goes out to our esteemed customers, valued business partners, and shareholders for their continuous loyalty and trust.

Furthermore, we would like to recognize the exceptional dedication, commitment, and tireless efforts exhibited by our management team and employees. Their contributions have been instrumental in propelling BankIslami to a prominent position within the broader banking sector and particularly in the Islamic Banking industry.

On behalf of the Board,



Rizwan Ata

President & Chief Executive Officer

February 18, 2026

Place: Karachi



Suleman Lalani

Chairman of the Board of Directors

مقدمات

بینک مختلف مقدمات میں فریق ہے، جو یا تو خود بینک کی جانب سے شروع کیے گئے ہیں یا مختلف فریقین کی طرف سے بینک کے خلاف دائر کیے گئے ہیں۔ بینک کو قانونی ماہرین کی رائے کی بنیاد پر مکمل اعتماد ہے کہ ان قانونی چارہ جویوں کی وجہ سے کوئی بھی غیر یقینی صورتحال درپیش نہیں ہے۔ اہم مقدمات اور ممکنہ واجبات سے متعلق تازہ ترین معلومات اور پیشرفت مالیاتی گوشواروں کے نوٹ نمبر 26.3 میں درج کی گئی ہیں۔

اظہارِ تشکر

بورڈ، اسٹیٹ بینک آف پاکستان کی گراں قدر معاونت اور رہنمائی کے لیے ان کا تہہ دل سے شکریہ ادا کرنا چاہتا ہے۔ مزید برآں، ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور دیگر ریگولیٹری اداروں کے بینک کی کوششوں میں مسلسل تعاون کو سراہتے ہیں۔ ہم اپنے معزز صارفین، قابل قدر کاروباری شراکت داروں اور حصص یافتگان کے بینک پر مسلسل بھروسے، اعتماد اور وفاداری کے لیے ان کے بے حد مشکور ہیں۔

مزید برآں، ہم اپنی انتظامی ٹیم اور تمام ملازمین کی غیر معمولی لگن، محنت اور انتھک کوششوں کا اعتراف کرنا چاہتے ہیں۔ ان کی خدمات نے بینک اسلامی کو مجموعی بینکاری کے شعبے اور خاص طور پر اسلامی بینکاری کی صنعت میں ایک ممتاز مقام دلانے میں کلیدی کردار ادا کیا ہے۔

منجانب و حسب الحکم بورڈ،



سلیمان لالانی

چیئر مین آف بورڈ آف ڈائریکٹرز



رضوان عطاء

صدر اور چیف ایگزیکٹو آفسر

18 فروری 2026

جگہ: کراچی

کنٹریز کا مناسب نظام اور آڈٹ کے شعبے کی کارکردگی۔ جائزے کے نتائج کی بنیاد پر، مضبوط پہلوؤں اور بہتری کے حامل شعبوں کی نشاندہی کی جاتی ہے، جس کے بعد ہر انفرادی بورڈ ممبر کے ساتھ کارکردگی کی بہتری کے منصوبوں پر تبادلہ خیال کیا جاتا ہے۔

سال 2025 کے لیے، بینک نے "Grant Thornton Anjum Rahman" کی خدمات بطور آزاد بیرونی تجزیہ کار حاصل کی ہیں۔

ڈائریکٹرز کی تربیت

بورڈ "ڈائریکٹر ٹریننگ پروگرام" (DTP) کے تقاضوں پر مکمل عمل پیرا ہے۔ اس وقت تمام ڈائریکٹرز نے "کوڈ آف کارپوریٹ گورننس" کے تحت تجویز کردہ سرٹیفیکیشن مکمل کر لی ہے۔ تمام ڈائریکٹرز کارپوریٹ اداروں کے ڈائریکٹر کے طور پر اپنے فرائض اور ذمہ داریوں سے مکمل طور پر واقف ہیں۔

مزید برآں، ڈائریکٹر ٹریننگ پروگرام کے تقاضوں کی تعمیل میں، بینک نے اپنے بورڈ ممبران کے لیے شعبہ شریعہ کے تعاون سے "پائیدار ترقی کے اہداف" (SDGs) پر خصوصی آگاہی اور تربیتی سیشنز کا انعقاد کیا۔ اس کے ساتھ ساتھ بورڈ ممبران کے لیے سائبر سیکیورٹی اور اینٹی منی لانڈرنگ و دہشت گردی کی مالی معاونت کی روک تھام (AML/CFT) جیسے اہم موضوعات پر بھی تربیتی سیشنز منعقد کیے گئے۔

شینئر ہولڈنگ کا بیٹرن

بینک پاکستان اسٹاک ایکسچینج لیٹیڈ میں لسٹڈ ہے۔ بینک کی شینئر ہولڈنگ کی مکمل تفصیلات اور زمرہ جات، بشمول ڈائریکٹرز اور ایگزیکٹوز کی ملکیت میں موجود حصص (اگر کوئی ہوں)، سالانہ رپورٹ کے ساتھ منسلک ہیں۔

آڈیٹرز

موجودہ آڈیٹرز "KPMG Taseer Hadi & Co." چارٹرڈ اکاؤنٹنٹس نے سال 2021 سے 2025 تک اپنی پانچ سالہ مدت مکمل کر لی ہے، اور وہ "کوڈ آف کارپوریٹ گورننس" کے تحت دوبارہ تقرری کے اہل نہیں ہیں۔ بورڈ، بینک کی جانب سے سبکدوش ہونے والے آڈیٹرز کی ان کے دور تقرری کے دوران فراہم کردہ خدمات پر ان کا شکریہ ادا کرتا ہے اور انہیں سہرا ہوتا ہے۔ بورڈ آڈٹ کمیٹی کی سفارش پر، بورڈ نے سال 2026 کے لیے "BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس" کو بینک کے قانونی بیرونی آڈیٹرز کے طور پر مقرر کرنے کی تجویز دی ہے۔

بیرونی آڈیٹرز کی یہ تقرری آئندہ ہونے والے سالانہ جنرل اجلاس (AGM) میں بینک کے شینئر ہولڈرز کی منظوری سے مشروط ہوگی۔ نامزد آڈیٹنگ فرم نے اس بات کی تصدیق کی ہے کہ انہیں "انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان" (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت اطمینان بخش ریٹنگ دی گئی ہے، اور یہ کہ فرم اور اس کے تمام پارٹنرز "انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس" (IFAC) کے ضابطہ اخلاق (Code of Ethics) کی گائیڈ لائنز، جیسا کہ ICAP نے اپنایا ہے، پر مکمل عمل پیرا ہیں اور تمام متعلقہ قوانین کے تحت تقرری کے تقاضوں پر پورا اترتے ہیں۔

کریڈٹ ریٹنگ

گزشتہ تین برسوں سے بینک کی طویل مدتی ریٹنگ 'AA-' اور مختصر مدتی 'A1' مستحکم آؤٹ لک کے ساتھ برقرار ہے۔ غیر محفوظ، ماتحت اور لسٹڈ ایڈیشنل ٹیئر-1 صکوک کی ریٹنگ 'A' ہے۔ یہ ریٹنگز پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے جاری کیں۔

بورڈ کی موجودہ تشکیل درج ذیل ہے:

*8	کل ڈائریکٹرز:
**3	آزاد ڈائریکٹرز:
2	نان ایگزیکٹو ڈائریکٹرز:
2	ایگزیکٹو ڈائریکٹرز:
*1	(a) خاتون ڈائریکٹر:
7	(b) مرد ڈائریکٹرز:

* 27 دسمبر 2025 کو ڈاکٹر شمشاد اختر کے انتقال کے بعد ایک خاتون آزاد ڈائریکٹر کی نشست خالی ہے، جسے ضابطہ جاتی تقاضوں کے مطابق پُر کیا جائے گا۔

** ڈاکٹر شمشاد اختر کو شامل کیے بغیر۔

مشاہرہ کا فریم ورک

چیئرمین، نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز صرف بورڈ، کمیٹیوں اور جنرل میٹنگز میں شرکت کے لیے فیس اور سفر، قیام و بعام سے متعلق معقول اصل اخراجات کے حقدار ہیں۔ بینک کے بورڈ اور کمیٹی اجلاسوں میں شرکت کے لیے ڈائریکٹرز کو مشاہرہ بینک کے اس پیمانے کے مطابق ادا کیا جا رہا ہے جو بورڈ اور چیئرمین ہولڈرز نے بینک کے جنرل اجلاس میں منظور کیا ہے۔ بورڈ آف ڈائریکٹرز کے لیے مشاہرے کی ایک باقاعدہ پالیسی پہلے ہی چیئرمین ہولڈرز کی جانب سے منظور کی جا چکی ہے۔

ملازمین کے لیے معاوضہ پالیسی پیشہ ورانہ افراد کو راغب اور برقرار رکھنے کے لیے ترتیب دی گئی ہے، جبکہ سالانہ کارکردگی کا جائزہ اور تنخواہوں میں اضافہ کارکردگی کی بنیاد پر ادائیگی کے کلچر کو فروغ دینے والے عمل پر مبنی ہوتا ہے۔ بورڈ ہیومن ریسورس اینڈ ریوژنیشن کمیٹی (BHR&RC) ملازمین کے معاوضے کے پہنچنے کے ڈھانچے کی سفارش بورڈ کو کرنے کی ذمہ دار ہے۔ بورڈ نے ایک "مشاہرہ پالیسی" کی منظوری دی ہے جو میٹریل رسک ٹھیکرز (MRTs) اور میٹریل رسک کنٹرولرز (MRCs) کی شناخت کے معیار کے ساتھ ساتھ ان کی کارکردگی کی جانچ، معاوضے کے ڈھانچے کی واضح وضاحت کرتی ہے۔

چیئرمین، صدر/سی ای او، نان ایگزیکٹو ڈائریکٹرز، کلیدی انتظامی عملے اور دیگر (MRTs) اور (MRCs) کے مشاہرے کی مکمل تفصیلات غیر مجتمع مالیاتی گوشواروں کے نوٹ نمبر 42 میں فراہم کی گئی ہیں۔

بورڈ کی کارکردگی کا جائزہ

بینک نے ریگولیٹری تقاضوں کے عین مطابق، مجموعی طور پر بورڈ، اس کی کمیٹیوں، چیئرمین، انفرادی ڈائریکٹرز اور صدر اور سی ای او کی سالانہ کارکردگی کی جانچ کے لیے ایک باقاعدہ اور مؤثر نظام وضع کیا ہے۔ یہ سرگرمی اسٹیٹ بینک آف پاکستان کے جاری کردہ "کارپوریٹ گورننس ریگولیٹری فریم ورک" اور "السٹڈ لمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019" کے تحت ہر سال ایک بیرونی آزاد تجربہ کار کے ذریعے انجام دی جاتی ہے۔ اس جانچ میں مختلف شعبوں کا احاطہ کیا جاتا ہے، خاص طور پر بورڈ کی ساخت، مہارت، مؤثر رسک مینجمنٹ، اندرونی

مزید برآں، سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو یا ان کی اہلیہ اور نابالغ بچوں کی جانب سے حصص کی کوئی خرید و فروخت نہیں کی گئی۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

بینک کارپوریٹ گورننس کے بہترین طریقوں پر عملدرآمد کو اپنی اولین ترجیح سمجھتا ہے۔ ہم سمجھتے ہیں کہ کارپوریٹ گورننس میں بہتری ایک مسلسل عمل ہے۔ بورڈ اور انتظامیہ بینک کی کارپوریٹ اقدار کو بہتر بنانے اور نافذ کرنے کے لیے کوشاں ہیں تاکہ تمام اسٹیک ہولڈرز، بشمول سینئر ہولڈرز اور صارفین، کی توقعات پر پورا اتر جا سکے۔

بینک اسلامی ہر عمل میں خصوصاً صارفین اور ملازمین کے معاملات میں شفافیت اور میرٹ کو یقینی بناتا ہے۔ یہ عزم درج ذیل بنیادی اقدار میں نمایاں ہے:

- شرعی اصولوں کی پاسداری
- میرٹ پر مبنی نظام
- ٹیم ورک
- جدت
- صارفین پر مرکوز خدمات
- شفافیت

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ "لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019" (CCG) کے وہ تمام تقاضے جو 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے متعلقہ ہیں، بینک کی جانب سے ان کی مکمل تعمیل کی گئی ہے۔ اس سلسلے میں ایک باقاعدہ بیان سالانہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ کی تشکیل

ہم گہرے رنج و غم کے ساتھ ہماری معزز ڈائریکٹر ڈاکٹر شمشاد اختر کے انتقال کا ذکر کرتے ہیں۔ ان کی دانشمندی، قیادت اور گراں قدر خدمات کو ہمیشہ یاد رکھا جائے گا۔ ہم دعا گو ہیں کہ ان کی میراث ہمیں متاثر کرنی رہے اور ہم ان کی ممتاز خدمات پر شکر گزار ہیں۔

کوڈ آف کارپوریٹ گورننس اور بہترین طریقوں کے مطابق بورڈ میں نان ایگزیکٹو اور آزاد ڈائریکٹرز شامل ہیں، جن میں ایک خاتون ڈائریکٹر کی نمائندگی بھی موجود ہے۔

1. بینک کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے بینک کے معاملات، زر نقد کی ترسیل اور لیکویٹی میں تبدیلیاں درست طور پر پیش کرتے ہیں۔
2. بینک کے اکاؤنٹس کی مناسب کتب برقرار رکھی گئی ہیں۔
3. مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کو مستقل طور پر اپنایا گیا ہے، سوائے ان معاملات کے جنہیں علیحدہ طور پر ظاہر کیا گیا ہو، اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
4. پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) پر عمل کیا گیا ہے اور کسی بھی انحراف کو مناسب طور پر ظاہر اور وضاحت کیا گیا ہے۔
5. داخلی کنٹرول کا نظام ڈیزائن کے لحاظ سے مؤثر اور مضبوط ہے اور اسے مؤثر انداز میں نافذ اور مانیٹر کیا جا رہا ہے۔
6. بینک کی بطور ادارہ کاروبار جاری رکھنے کی صلاحیت کے بارے میں کوئی نمایاں شبہ موجود نہیں۔
7. بینک کسی قرض یا سکوک میں نادہندہ نہیں یا نادہندہ ہونے کا امکان نہیں ہے۔
8. کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی نمایاں انحراف نہیں ہوا۔
9. چیئرمین اور دیگر بورڈ ممبران کی تقرری کی شرائط قابل اطلاق بہترین طریقہ کار اور بینک کے بہترین مفاد کے مطابق ہیں۔
10. 31 دسمبر 2025 تک بورڈ، CCG کے تحت ڈائریکٹرز کی تربیت کی ضروریات کی مکمل تکمیل کر چکا ہے۔
11. متعلقہ فریقین کے ساتھ تمام لین دین بازاری بنیادوں (Arm's Length Basis) پر اور بینک کے معمول کے کاروبار کے دائرہ میں انجام دیے گئے، جن کی تفصیلات نوٹ 46 میں موجود ہیں۔
12. بینک کے مالیاتی گوشواروں کا آڈٹ KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے کیا، اور 18 فروری 2026 کو بورڈ اجلاس میں شیئر ہولڈرز کے اجرا کے لیے منظوری دی گئی۔
13. مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کوئی ایسی اہم تبدیلی یا ذمہ داری پیش نہیں آئی جو بینک کی مالی حالت پر اثر انداز ہو۔
14. 31 دسمبر 2025 تک غیر آڈٹ شدہ حسابات کے مطابق بینک کے پروویڈنٹ فنڈ اور گریجویٹی فنڈ کی سرمایہ کاری کی مالیت بالترتیب 2,769.9 ملین روپے اور 742.6 ملین روپے رہی۔
15. درج ذیل معلومات ڈائریکٹرز رپورٹ کے ساتھ بطور ضمیمہ منسلک ہیں:

i. گزشتہ چھ سال کے اہم آپریٹنگ اور مالی اعداد و شمار
ii. حصص یافتگی کا اسلوب

بینک نے صنفی تنوع، ٹیلنٹ کے حصول کے منصفانہ طریقہ کار اور ملازمین میں آگاہی سے متعلق مخصوص اقدامات کے ذریعے شمولیت کے اپنے عزم کو مزید آگے بڑھایا ہے۔ ہم سماجی طور پر ذمہ دارانہ اور جدید فوائد فراہم کرتے ہیں، جیسے کہ چائلڈ کیئر الاؤنس، نئی ماؤں کے لیے "مدر نیبی کیئر باسکٹ"، اور چھٹیوں کا ایک جامع نظام (مثلاً معذوری، عدت، زچگی، ولدیت اور حج/زیارت کی چھٹیاں) جو ہماری افرادی قوت کی مختلف ضروریات، ترجیحات اور زندگی کے مختلف مراحل کو مد نظر رکھتا ہے۔ امتیازی سلوک کے خلاف واضح پالیسیاں ہر اسماں کرنے، غلبہ جمانے، تعصب اور انتقامی کارروائی کے خلاف مشترکہ معیار قائم کرتی ہیں۔ معاوضے، لچکدار اوقات کار، فلاح و بہبود کے اقدامات اور تربیتی پروگراموں کے حوالے سے ہمارا جامع نقطہ نظر ساتھیوں کو پائیدار کیریئر بنانے کے ساتھ ساتھ کام اور زندگی کے درمیان بہترین توازن برقرار رکھنے میں مدد دیتا ہے۔ مجموعی طور پر، یہ اقدامات کام کی جگہ پر ایسی ثقافت کو تقویت دیتے ہیں جس کی بنیاد میرٹ، وقار اور مساوی مواقع پر ہے۔

کام کی جگہ کی پالیسیوں سے ہٹ کر، بینک مخصوص پلیٹ فارمز اور کسٹمر پر مبنی حل کے ذریعے خواتین کو بااختیار بنانے کے عزم پر کاربند ہے۔ "مشعل و یمن بینکنگ" کے ذریعے، بینک خواتین صارفین کے لیے خاص طور پر تیار کردہ بینکنگ مصنوعات پیش کرتا ہے، جس سے مالی شمولیت اور خود مختاری کو فروغ ملتا ہے۔ داخلی طور پر، ہمارا "ہر قدم" (HerQadam) پلیٹ فارم خواتین ملازمین کی پیشہ ورانہ ترقی پر توجہ مرکوز کرتا ہے۔ بینک نے سینئر قیادت کے ساتھ خواتین کے مشاورتی سیشنز اور مختلف موضوعات پر آگاہی سیشنز کا انعقاد کیا ہے، جن میں "اسلام اور مسلم معاشرے میں خواتین کے حقوق اور ان کا کردار"، پنک ٹو بر (Pinktober)، مدرز ڈے اور وین ڈے وغیرہ شامل ہیں، تاکہ ایک بامقصد مکالمے کو فروغ دیا جاسکے۔

بینک اسلامی رسائی کو فروغ دے کر، کام کی جگہ کی رکاوٹوں کو دور کر کے اور ٹیموں میں باہمی تعاون کی حوصلہ افزائی کے ذریعے ایک "ڈس ایبلٹی کونفیڈنٹ" (disability-confident) ادارہ بننے کی جانب پیش رفت جاری رکھے ہوئے ہے۔ بینک میں اس وقت 17 معذور سماجی خدمات انجام دے رہے ہیں، جو مجموعی افرادی قوت کا 0.23 فیصد ہیں۔ خدمات کی فراہمی میں شمولیت کے اسی عزم کے تحت، بینک نے 10 "ماڈل برانچز" قائم کی ہیں جو خاص طور پر معذور صارفین کی ضروریات کو پورا کرنے کے لیے ڈیزائن کی گئی ہیں۔ ان برانچز میں معذور افراد کے لیے سازگار انفراسٹرکچر اور ایسے سروس پراسیسز موجود ہیں جو تمام صارفین کے لیے رسائی، خود مختاری اور وقار کو یقینی بناتے ہیں۔

اب تک حاصل ہونے والی پیشرفت سے حوصلہ پاتے ہوئے، بینک مزید مسلسل بہتری کی ضرورت کو تسلیم کرتا ہے۔ مستقبل کے حوالے سے، بینک اسلامی ایک ایسی متنوع، منصفانہ اور شمولیتی تنظیم کی تشکیل کے لیے مضبوطی سے پرعزم ہے جہاں ہر ملازم اپنی مکمل صلاحیتوں کو بروئے کار لاسکے۔ قیادت کی مسلسل توجہ، ڈیٹا پر مبنی فیصلہ سازی اور عوام دوست پالیسیوں کے ذریعے، بینک ایک ایسا ماحول بنانا جاری رکھے گا جو ان کیونٹیز کی عکاسی کرے جن کی ہم خدمت کرتے ہیں، اور جو ذمہ دارانہ اور پائیدار ترقی کے لیے ہمارے عزم کی حمایت کرے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق ڈائریکٹرز کا بیان

بورڈ آف ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (CCG) جو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کیے گئے اور اسٹیٹ بینک آف پاکستان نے اختیار کیے، کے تحت اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔

مندرجہ ذیل بیانات اعلیٰ معیار کی کارپوریٹ گورننس اور بہترین طریقہ کار کو برقرار رکھنے کے عزم کی عکاسی کرتے ہیں

پائیداری اور ماحولیاتی رسک مینجمنٹ

پائیدار بینکاری کے لیے پر عزم، بینک اسلامی اپنے فنانسنگ کے فیصلوں میں ماحولیاتی، سماجی اور گورننس کے اصولوں کو شامل کرتا ہے۔ کارپوریٹ اور SME پورٹ فولیو میں "ماحولیاتی اور سماجی رسک ریٹنگ" فریم ورک لاگو کیا جاتا ہے، جس کے تحت سرمایہ کاری کو درج ذیل زمروں میں تقسیم کیا جاتا ہے:

- کم خطرہ: کل جانچ شدہ بقایا ایکسپوژر کا 56.7 فیصد
- درمیانی خطرہ: کل جانچ شدہ بقایا ایکسپوژر کا 43 فیصد
- زیادہ خطرہ: کل جانچ شدہ بقایا ایکسپوژر کا 0.3 فیصد

بینک کی جانب سے زیادہ خطرے والے شعبوں میں کم سرمایہ کاری، اس کی اندرونی رسک مینجمنٹ پالیسیوں کی افادیت کی عکاسی کرتی ہے۔ ماحولیاتی اور سماجی خطرات سے نمٹنے اور ان کے اثرات کو کم کرنے کے لیے، بینک اسلامی نے درج ذیل اقدامات کیے ہیں:

- ہائی رسک سیکٹرز میں بہتر ڈیو ڈیلیجنس
- ESRR کو کریڈٹ منظوری میں شامل کرنا
- گرین فنانسنگ اور قابل تجدید توانائی منصوبوں کی معاونت
- ماحولیاتی ضوابط کی تعمیل کی نگرانی
- براؤنجز اور اے ٹی ایم نیٹ ورک میں شمسی توانائی کا فروغ
- کریڈٹ اور ایس ایم ای ٹیموں کی تربیت

تنوع، مساوات اور شمولیت (DE&I)

شمولیت کے کلچر کا فروغ بینک اسلامی کے مقصد اور کارکردگی کا بنیادی حصہ ہے۔ ہم ایک ایسا ماحول فراہم کرنے کے لیے کوشاں ہیں جہاں ہمارے تمام ساتھی خود کو محفوظ اور معزز محسوس کریں، اور جہاں ان کے انفرادی نقطہ نظر، مہارتوں اور تجربات کو قدر کی نگاہ سے دیکھا جائے۔

سال 2025 کے دوران، بینک نے کام کی جگہ پر ایسے جامع طریقہ کار کو مزید مستحکم کیا جو تمام شعبوں اور سطحوں پر شفافیت، احترام اور مساوی مواقع فراہم کرنے کو فروغ دیتے ہیں۔ ہمارا "تنوع، برابری اور شمولیت" کا ایجنڈا انفرادی قوت کی پالیسیوں، قائدانہ رویوں اور تنظیمی ثقافت کا حصہ ہے، جو اس بات کو یقینی بناتا ہے کہ ہر ساتھی بینک کی کامیابی میں با معنی کردار ادا کرنے کے لیے با اختیار ہو۔ بینک میں شمولیت پر مبنی ماحول کو فروغ دینے کی ذمہ داری ہر لیڈر اور تمام ملازمین پر عائد ہوتی ہے۔

سال 2025 کے اختتام تک، بینک اسلامی میں خواتین ملازمین کی تعداد 1,251 ہے، جو کہ مجموعی انفرادی قوت کا 17.01 فیصد ہے۔ دسمبر 2024 سے دسمبر 2025 تک، خواتین ملازمین کی تعداد میں 23.74 فیصد اضافہ ہوا، جو پوری تنظیم میں صنفی تنوع پر بینک کی مسلسل توجہ کا عکاس ہے۔ اقلیتی نمائندگی 86 ملازمین پر مشتمل ہے، جو مجموعی انفرادی قوت کا 1.17 فیصد ہے۔ یہ اعداد و شمار انفرادی قوت کی جاری منصوبہ بندی اور شمولیت کی حکمت عملیوں کے لیے رہنما ثابت ہوتے ہیں، جس سے نمائندگی اور برابری میں مسلسل بہتری کو یقینی بنایا جاتا ہے۔

4. آپریشنل رسک مینجمنٹ کمیٹی (ORMC): آپریشنل رسک اور بزنس کنٹینینٹی کی نگرانی کرتی ہے، نقصانات کی بنیادی وجوہات کا تجزیہ، KRI خلاف ورزیوں کی مانیٹرنگ اور عملیاتی امور کو خطرہ برداشت کرنے کی اہلیت کے مطابق ہم آہنگ کرتی ہے۔

پالیسیوں اور طریقہ کار کو مزید سخت بنایا گیا ہے، جس کے نتیجے میں اثاثہ جات کے معیار میں مزید بہتری آئی ہے۔ ایکویٹی، زر مبادلہ اور لیکویڈٹی سے متعلق خطرات کا مسلسل جائزہ مارکیٹ رسک فنکشن کے ذریعے لیا جاتا ہے۔ اسٹریٹجی، ٹیسٹنگ اور حساسیت کے پیمانے مارکیٹ رسک کے انتظام کے لیے استعمال کیے جاتے ہیں۔ واضح فنڈنگ پالیسی، مناسب کولیرٹل کوریج، دستاویزی تقاضے اور باقاعدہ جائزے اثاثہ جاتی معیار کو یقینی بناتے ہیں۔ مارکیٹ رسک کی پیمائش کے لیے ویلیو ایٹ رسک (VaR) کا حساب کیا جاتا ہے، جبکہ روزمرہ لیکویڈٹی مینجمنٹ کیش فلو میچنگ اور ریگولیٹری ریزرو کی ضروریات کو پورا کرنے اور وافر مقدار میں سیال اثاثوں کو برقرار رکھنے کے ذریعے کیا جاتا ہے۔ ممکنہ لیکویڈٹی خطرے کا جائزہ لینے کے لئے مختلف لیکویڈٹی تناسب کی نگرانی بھی کی جاتی ہے۔

مارکیٹ اینڈ لیکویڈٹی رسک فنکشن کو ٹریڈری سرگرمیوں کی نگرانی میں مزید مضبوط کیا گیا ہے۔ آپریشنل رسک مینجمنٹ فریم ورک کو مستحکم بنانے کے لیے نقصان کے ڈیٹا کی رپورٹنگ، رسک سیلف اسسٹمنٹ اور کلیدی رسک اشاریوں کی بہتر کوریج جیسے اقدامات کیے گئے ہیں۔ بینک اندرونی ترینٹی پروگرامز کے ذریعے عملہ میں رسک کی آگاہی کو فروغ دے رہا ہے۔

31 دسمبر 2025 تک بینک کا موزوں سرمائے کا تناسب 16.6 فیصد رہا، جو 11.5 فیصد کے ریگولیٹری تقاضے سے نمایاں طور پر زیادہ ہے۔

بینک اسلامی نے اپنے معلوماتی اور ٹیکنالوجی پر مبنی اثاثوں کی حفاظت کے لیے ایک جامع "انفارمیشن سیکورٹی (IS) پروگرام" اور گورننس کا ڈھانچہ نافذ کیا ہے۔ بینک کے زیر انتظام حساس معلومات، بشمول وہ ڈیٹا جو صارفین، شراکت داروں اور عملے نے بینک اسلامی کے سپرد کیا ہے، بینک کے اہم ترین اثاثوں میں شامل ہے۔ بینک کے کاروبار کی مسابقتی نوعیت اور اس کے زیر انتظام ڈیٹا کی غیر معمولی اہمیت کے پیش نظر، رسک گروپ نے بزنس اور ٹیکنالوجی کے شعبوں کے ساتھ مل کر خطرات کو کم سے کم کرنے کے لیے تمام ضروری اقدامات کیے ہیں۔

مالیاتی رپورٹنگ پر اندرونی کنٹرولز (ICFR)

بینک اسلامی اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ اندرونی کنٹرولز کے رہنما اصولوں کی مکمل پاسداری کرتا ہے۔ عمل درآمد کی دستاویزات اور گپ تجزیہ کے ذریعے کنٹرول میکانزم کو مضبوط بنایا گیا ہے۔ ICFR روڈ میپ کی کامیاب تکمیل کے بعد 2017 میں اسٹیٹ بینک نے بینک کو لائٹ فارم رپورٹ (LFR) جمع کرانے سے نمونہ بنایا، جو بینک کے مضبوط کنٹرول ماحول کا مظہر ہے۔

سرمایہ کاری کا منصوبہ

بینک اسلامی سرمائے کی منصوبہ بندی کو ایک اسٹریٹجک ترجیح تصور کرتا ہے، جس کا مقصد ریگولیٹری تقاضوں کی تکمیل، معاشی لچک اور خطرات کو جذب کرنے کی صلاحیت کو یقینی بنانا ہے۔ سرمائے کا ایک مربوط ڈھانچہ بینک کی طویل مدتی کاروباری حکمت عملی میں معاون ثابت ہوتا ہے، جو بینک کو دباؤ کے حالات کا مقابلہ کرنے کے قابل بناتا ہے اور مالیاتی استحکام کو برقرار رکھتا ہے۔ بینک اسلامی آف پاکستان کے ضوابط کے تحت "میل III" اور (MCR) کے عین مطابق کام کر رہا ہے، جو سرمائے کی مناسبت اور ریگولیٹری تکمیل کے لیے ایک فعال نقطہ نظر کو یقینی بناتا ہے۔

رسک مینجمنٹ گروپ درج ذیل شعبہ جات پر مشتمل ہے، جو سینئر ایگزیکٹوز کی سربراہی میں گروپ ہیڈ - رسک مینجمنٹ کو رپورٹ کرتے ہیں:

- کارپوریٹ / کمرشل / ایس ایم ای / زرعی کریڈٹ رسک مینجمنٹ
- کنزیومر کریڈٹ رسک مینجمنٹ
- انٹرپرائز رسک مینجمنٹ
- آپریشنل رسک مینجمنٹ
- کاروباری تسلسل کی منصوبہ بندی
- مالیاتی رپورٹنگ پر اندرونی کنٹرولز
- پالیسیز اور پروسیجرز
- مارکیٹ رسک اور لیکویڈیٹی رسک
- کریڈٹ پورٹ فولیو مانیٹرنگ
- ماحولیاتی رسک
- انفارمیشن سیکورٹی
- خصوصی اثاثوں کا انتظام
- صارفین سے وصولی
- ڈیٹا اینالیٹکس اینڈ ٹرانسفارمیشن
- کریڈٹ ایڈمنسٹریشن

بورڈ کی مقرر کردہ مجموعی حکمت عملی کے مطابق رسک ایپٹائٹ کی حدود میں ایکسپوژر کو برقرار رکھنے کے لیے سینئر مینجمنٹ پر مشتمل خصوصی کمیٹیاں کام کرتی ہیں، جن میں شامل ہیں:

1. مینجمنٹ کریڈٹ کمیٹی (MCC): کریڈٹ سرگرمیوں کو بورڈ سے منظور شدہ پالیسیوں، ریگولیٹری تقاضوں اور بینک کے رسک ایپٹائٹ کے مطابق یقینی بناتی ہے۔
2. ایٹ لائیبلیٹی کمیٹی (ALCO): مارکیٹ اور لیکویڈیٹی ایکسپوژرز، اثاثہ جات و واجبات کی میچورٹی پروفائل کا جائزہ لیتی ہے، پرائسنگ کا تعین کرتی ہے اور طویل مدتی اثاثوں کے حوالے سے لیکویڈیٹی مینجمنٹ کے فیصلے کرتی ہے۔
3. پورٹ فولیو اینڈ ریمیڈیل ایسٹس مینجمنٹ کمیٹی (PRMC): پورٹ فولیو اور ریکوری حکمت عملی کی نگرانی کرتی ہے، بشمول رسک اور ریٹرن کے توازن اور تنوع کو یقینی بنانا تاکہ یہ بینک کے اسٹریٹیجک مقاصد اور خطرہ برداشت کرنے کی اہلیت کے مطابق ہم آہنگ رہے۔

2025 کی نمایاں کارکردگی:

- شکایات کے حل کا اوسط دورانیہ 3.5 ایام کار رہا، جو گزشتہ سال سے بہتر ہے۔
- اسٹیٹ بینک کے مقررہ اوقات کے مطابق شکایات کے حل میں 99.98 فیصد کی تعمیل برقرار رکھی گئی۔
- شکایات کے زیادہ حجم کے باوجود نیٹ پروموٹر اسکور (NPS) اوسطاً 94 فیصد رہا، جو نئے صارفین کے اعتماد کی عکاسی کرتا ہے۔

سال 2026 میں بینک کسٹمر ڈیٹا پلیٹ فارم (CDP) کے نفاذ پر توجہ دے گا، تاکہ صارفین کا 360 ڈگری جائزہ حاصل کیا جاسکے اور عالمی معیار کی صارف مرکوز خدمات کے ذریعے انسانیت کو رہا سے نجات دینے کے مشن کو مزید تقویت دی جاسکے۔

تعمیل

بینک اپنے تعمیل اور کنٹرول ماحول کو مسلسل مضبوط بنا رہا ہے، تاکہ تنظیمی تقاضوں، شریعی اصولوں اور بین الاقوامی بہترین طریقہ کار سے ہم آہنگی برقرار رہے، اور تمام آپریشنز میں گورننس اور جوابدہی کا پیکر فروغ پائے۔ اس سال کے دوران اپنی منی لانڈرنگ (AML)، سنکشنز کمپلائنس، ریگولیٹری کمپلائنس اور فراڈ مینجمنٹ میں مرکزی نگرانی کو بہتر گورننس اور جدید ٹیکنالوجی کے ذریعے مزید مؤثر بنایا گیا۔ اوریکل FCCM اب گریڈ اور ریل ٹائم سنکشن اسکریمنگ سلوشنز کے ذریعے مشتبہ اور ممنوعہ لین دین کی بروقت نشاندہی اور روک تھام کو یقینی بنایا جا رہا ہے۔

ٹریڈ بیسڈ منی لانڈرنگ (TBML) کے خطرات کے تدارک کے لیے بیرونی انٹیلیجنس ٹولز کو فعال کیا گیا ہے، تاکہ تجارتی لین دین کی مؤثر جانچ پڑتال ممکن ہو سکے۔ فراڈ مینجمنٹ یونٹ انٹریٹرز فراڈ مینجمنٹ سلوشن کے نفاذ پر کام کر رہا ہے اور ڈیجیٹل ادائیگی چینلز کی نگرانی کو وسعت دی گئی ہے۔ ساتھ ہی، صارفین کو ڈیجیٹل فراڈ سے آگاہ کرنے کے لیے ملٹی چینل کمیونیکیشن کی مہمات جاری رکھی گئیں۔

یہ تمام اقدامات بینک کے کنٹرول فریم ورک کو مزید مضبوط بناتے ہیں اور مالی جرائم کے خطرات کے خلاف ادارے کی مزاحمت اور اسٹیک ہولڈرز کے اعتماد کو مستحکم کرتے ہیں۔

اندرونی نگرانی کا بیان

بورڈ آف ڈائریکٹرز اعلیٰ ترین کارپوریٹ گورننس کے معیارات کو برقرار رکھنے اور ایک مؤثر اندرونی کنٹرول سسٹم کے قیام کے لیے مکمل طور پر پرعزم ہے، تاکہ کاروباری مقاصد کے حصول میں ممکنہ خطرات کو کم کیا جاسکے۔ یہ نظام ایک آزاد آڈٹ ڈیپارٹمنٹ کے ذریعے نافذ اور مانیٹر کیا جاتا ہے، جو براہ راست بورڈ آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ بورڈ کو خوشی ہے کہ وہ سالانہ رپورٹ میں پیش کردہ انتظامیہ کے اندرونی کنٹرول کے بیان، بشمول مالیاتی رپورٹنگ پر اندرونی کنٹرول کے جائزے، کی توثیق کرتا ہے۔

رسک مینجمنٹ فریم ورک

رسک مینجمنٹ کا بنیادی مقصد کاروباری سرگرمیوں کے دوران پیدا ہونے والی غیر یقینی صورتحال کا مؤثر انتظام کرنا ہے۔ یہ بینکاری کاروبار کا ایک کلیدی جزو ہے جس کے ذریعے بینک ادارہ جاتی سطح پر خطرات کے متعین پیرائے کے اندر رہتے ہوئے خطرات کو ایڈجسٹ کرنے اور منافع کو زیادہ سے زیادہ بنانے کی کوشش کرتا ہے۔

چینلز سختی سے مانیٹر کیے جانے والے کلیدی سروس اشاریوں کے تحت کام کرتے ہیں، جبکہ عملے کی باقاعدہ تربیت سروس ایکسیلنس اور شکایات کے مؤثر انتظام کو یقینی بناتی ہے۔

مسلل بہتری کے لیے صدر و سی ای او کی سربراہی میں قائم سروس ایکسیلنس کمیٹی (SEC) سہ ماہی بنیادوں پر اجلاس منعقد کرتی رہی، جس میں سروس معیار، عمل میں بہتری اور غیر ضروری مراحل کے خاتمے کا جائزہ لیا جاتا تھا۔ بعد ازاں اسے ایک خصوصی بزنس کنڈکٹ اینڈ FTC کمیٹی سے تبدیل کیا گیا، تاکہ صارف تحفظ کے حوالے سے انتظامی سطح پر جوابدہی کو مزید مضبوط بنایا جاسکے۔

سروس کوالٹی اور کسٹمر تجربہ

بینک اسلامی منصفانہ اور شفاف اصولوں پر مبنی شریعہ کے مطابق، صارف مرکوز مالیاتی خدمات فراہم کرنے کے عزم پر قائم ہے۔ سال 2025 کے دوران بینک نے ایک اسٹریٹجک تبدیلی کے عمل سے گزرتے ہوئے محض شکایات کے حل سے آگے بڑھ کر ایک فعال کسٹمر ایکسپیریئنس (CX) فریم ورک اپنایا، جس کا مقصد صارفین کے بینکاری سفر میں ممکنہ رکاوٹوں کی پیشگی نشاندہی اور ان کا خاتمہ ہے۔

سروس کوالٹی، کانٹیکٹ سینٹر اور کسٹمر انگیجمنٹ کو ایک متحدہ SQ & CX اسٹریٹجی میں ضم کیا گیا، تاکہ ”ون بینک، ون ایکسپیریئنس“ کے تصور کو عملی جامہ پہنایا جاسکے۔ مزید برآں، اسٹیٹ بینک آف پاکستان کے بزنس کنڈکٹ اینڈ فیئر ٹریڈمنٹ آف کنزیومرز ریگولیٹری فریم ورک (BC&FRF) کی مکمل تعمیل کو یقینی بنانے کے لیے ایک بہتر CX گورننس یونٹ قائم کیا گیا۔

فٹلمنڈ سپورٹ ایڈج اسٹریٹجی ایکسیلنس ٹیم نے سال کے دوران 4,900 سے زائد کوچنگ اور آڈٹ سیشنز منعقد کیے، جس کے نتیجے میں کارکردگی میں نمایاں بہتری دیکھنے میں آئی۔

ڈیجیٹل تبدیلی اور جدت

"مصنوعی ذہانت پر مبنی اومنی چینل وژن" کے تحت بینک نے اپنی سروس آرکیٹیکچر کی ڈیجیٹلائزیشن کو تیز کیا:

- **ذہن باہمی تعامل:** بینک ایک مکمل طور پر مربوط "مصنوعی ذہانت کے ماحولیاتی نظام" کی جانب منتقل ہو رہا ہے۔ اس میں مصنوعی ذہانت سے لیس تربیتی ماڈیولز کی فراہمی اور "صارف کی آواز" کو بہتر طور پر سمجھنے کے لیے جدید ترین "سینٹی منٹ اینالیٹکس" کا استعمال شامل ہے۔
- **آپریٹل کارکردگی:** ترسیلات زر، کلیئرنگ اور اکاؤنٹ سروسز سمیت 17 اہم سروس ایریاز میں خودکار "آپریٹل لیول ایگریمنٹس" (OLAs) کے نفاذ سے اندرونی ورک فلو میں بہتری اور شفافیت آئی ہے۔
- **رسائی:** "ترجمان" ویڈیو بینکاری سروس معذور افراد (PWDs) کے لیے خصوصی معاونت فراہم کرتی رہی، تاکہ ہماری ڈیجیٹل سہولیات سب کے لیے قابل رسائی رہیں۔

صارفین کی شکایت کا ازالہ

بینک اسلامی ایک مضبوط اور قابل رسائی شکایات کے ازالے کا نظام رکھتا ہے، جس کے تحت 48 گھنٹوں کے اندر شکایات کے اعتراف میں 100 فیصد تعمیل حاصل کی گئی۔ سال 2025 میں مجموعی طور پر 110,339 شکایات موصول ہوئیں، جو نئی ڈیجیٹل سہولیات کے آغاز کے بعد ابتدائی نظامی استحکام کے باعث تھیں۔ تاہم سال کے اختتام تک ماہانہ شکایات میں 46 فیصد کمی واقع ہوئی، جو مارچ میں 14,816 کی بلند ترین سطح سے کم ہو کر دسمبر میں 6,713 رہ گئیں۔

سال 2025 کے دوران انجام دی گئی اہم CSR سرگرمیوں کا خلاصہ درج ذیل ہے:

- عبدالماجد فاؤنڈیشن (AMF) ایک نمایاں فلاحی ادارہ ہے جو صحت، تعلیم اور سماجی بہبود کے شعبوں میں وسیع خدمات انجام دے رہا ہے۔ اپنے اسپتالوں اور تعلیمی اداروں کے ذریعے اس نے کئی دہائیوں سے لاکھوں افراد کی خدمت کی ہے۔ بینک اسلامی ان اعلیٰ مقاصد میں فاؤنڈیشن کی معاونت کو اپنے لیے اعزاز سمجھتا ہے، جو معیاری تعلیم اور صحت کے فروغ کے اہداف سے ہم آہنگ ہے۔
- SHED فاؤنڈیشن ایک جامع فلاحی تنظیم ہے جو محروم طبقات کو بین الاقوامی معیار کے مطابق تعلیم اور صحت کی سہولیات فراہم کرنے کے لیے کوشاں ہے۔ بینک اسلامی کمیونٹی کی بہتری کے لیے SHED کی ان اہم خدمات کی مسلسل حمایت کے لیے پُر عزم ہے۔
- یوتھ کیٹالسٹ پاکستان کو بھی بینک کی جانب سے تعاون حاصل ہے، تاکہ نوجوانوں کی سماجی و معاشی باختاری اور کمیونٹی ڈیولپمنٹ کو فروغ دیا جاسکے۔ یہ تنظیم قیادت اور وکالت کے ذریعے نوجوان نسل کو پائیدار مستقبل کی تشکیل کے مواقع فراہم کرنے کے ساتھ ساتھ تعلیم، مہارتوں کی ترقی اور صحت کی سہولیات مہیا کرتی ہے۔
- مذکورہ بالا کے علاوہ، بینک متعدد دیگر ٹرسٹس اور تنظیموں کی بھی معاونت کرتا ہے، جن کی تفصیلات سالانہ رپورٹ کے CSR سیکشن میں بیان کی گئی ہیں۔

خیرات اور عطیات

سماجی مساوات کے عزم کو مزید مضبوط بنانے کے لیے بینک اسلامی ایک مخصوص چیریٹی اکاؤنٹ کا انتظام کیا ہے غیر شہری آمدنی، منافع کی تطہیر اور تاخیر سے ادائیگی کے چارجز سے حاصل شدہ رقم پر مشتمل ہوتا ہے۔ ان رقموں کی تقسیم معاشرے کے لیے ہماری مخلصانہ وابستگی کی عکاس ہے، جس کے ذریعے ان اداروں کی معاونت کی جاتی ہے جو فلاح عامہ کے لیے خدمات انجام دیتے ہیں۔ خیراتی ادائیگیوں کی تفصیل غیر منجز مالیاتی گوشواروں کے نوٹ 23.2.1 میں پیش کی گئی ہے۔

مزید برآں، بینک "اسلامی خیر کرنٹ اکاؤنٹ" کے ذریعے بھی فلاحی سرگرمیوں کو فروغ دیتا ہے، جس میں صارفین کے بیلنس سے حاصل ہونے والی آمدنی کا ایک مخصوص حصہ خیراتی اور سماجی بہبود کے منصوبوں کے لیے مختص کیا جاتا ہے، تاکہ صارفین بغیر کسی مالی قربانی کے سماجی مقاصد میں حصہ ڈال سکیں۔ یہ تمام اقدامات مالی شمولیت اور کمیونٹی باختاری کے ہمارے بنیادی ستونوں کو مضبوط بناتے ہیں۔

صارف کے لئے خدمات اور شکایات کا انتظام

بینک اسلامی شریعہ کے مطابق، صارف مرکوز اور اخلاقی اصولوں پر مبنی مالیاتی حل فراہم کرنے کے لیے پُر عزم ہے۔ بینک صارفین کی منصفانہ، شفاف اور سود سے پاک مالی خدمات کی فراہمی پر فخر محسوس کرتا ہے۔ اس عزم کو مضبوط بنانے کے لیے فیڈ بیک ٹریٹمنٹ آف کنزیومرز (FTC) کو بینک کی سروس کلچر میں شامل کیا گیا ہے، جسے ایک جامع کنزیومر پروٹیکشن فریم ورک کی معاونت حاصل ہے، جو صارفین کے مفادات کو ان کے بینکاری سفر کے ہر مرحلے پر محفوظ بناتا ہے۔

بینک مصنوعات کی تیزی، فروخت اور انتظام میں رسائی، معیاری خدمات اور جدت کو ترجیح دیتا ہے، تاکہ بغیر کسی امتیاز کے منصفانہ سہولیات فراہم کی جاسکیں۔ سروس کوالٹی ڈیپارٹمنٹ صارفین کے تجربے کو بہتر بنانے کے لیے مسلسل اقدامات کرتا ہے اور بینکاری کو مزید سہل اور مؤثر بنانے کے لیے بہتریاں متعارف کراتا رہتا ہے۔ تمام کسٹمر

بینک کی مستقبل کی نمو، کارکردگی اور صورتحال کو متاثر کرنے والے ممکنہ رجحانات اور عوامل

بینک کے بورڈ آف ڈائریکٹرز اور انتظامیہ ادارے کی کارکردگی کے مسلسل جائزے کے لیے پُر عزم ہیں، اور اس بات کو یقینی بناتے ہیں کہ بینک اپنی اسٹریٹجک بزنس پلان کے مطابق پیش رفت کر رہا ہے۔ انتظامیہ زیادہ باقاعدگی سے اور بورڈ کم از کم سہ ماہی بنیادوں پر اجلاس منعقد کرتا ہے تاکہ آپریٹنگ اور مالیاتی بجٹس کے مقابلے میں بینک کی کارکردگی اور کلیدی کارکردگی اشاریوں (KPIs) کا جائزہ لیا جاسکے۔

KPIs کا جائزہ لیتے وقت، بورڈ اور انتظامیہ مختلف ایسے عوامل کو مد نظر رکھتے ہیں جو ممکنہ طور پر بینک کی مستقبل کی کارکردگی کو متاثر کر سکتے ہیں، اور جن کی وجہ سے اسٹریٹجک پلان اور بجٹ شدہ اہداف میں قلیل مدتی تبدیلیاں درکار ہو سکتی ہیں۔ ان عوامل میں شامل ہیں:

ملک کی معاشی اور سیاسی صورتحال

- پالیسی شرح میں تبدیلی اور اس کے نتیجے میں اثاثہ جات و واجبات کی قیمتوں پر اثرات
- شرح مبادلہ میں اتار چڑھاؤ
- میکرو اکنامک اشاریے
- قوانین، ضوابط، قواعد، کارپوریٹ محصولات اور اکاؤنٹنگ فریم ورک میں تبدیلیاں
- مسابقتی ماحول
- موزوں سرمایہ (Capital Adequacy)
- شریعہ کے مطابق سرمایہ کاری کے مواقع کی دستیابی
- جغرافیائی سیاسی حالات اور امن و امان سے وابستہ بیرونی خطرات
- تکنیکی تبدیلیاں
- سماجی اور ماحولیاتی تبدیلیاں
- بحران، قدرتی آفات اور سیاسی غیر یقینی صورتحال کے دوران کاروباری تسلسل

کارپوریٹ سماجی ذمہ داری

"انسانیت کو سود سے بچانے" کے اپنے مشن اور سماجی ذمہ داری کو برقرار رکھتے ہوئے، بینک اسلامی نے ہمیشہ کارپوریٹ سماجی ذمہ داری (CSR) کو اپنے بنیادی عقائد میں شامل رکھا ہے، جو ادارے کی روح کو تقویت دیتی ہے۔ ایک اسلامی ادارے کی حیثیت سے، بینک اس امر کو یقینی بناتا ہے کہ اس کی فلاحی سرگرمیاں معاشرے کے تمام طبقات تک پہنچیں، بالخصوص نظر انداز اور محروم طبقات کی فلاح کو ترجیح دی جائے۔ بینک بنیادی طور پر فیوچر ٹرسٹ کے ساتھ شراکت میں اپنی فلاحی سرگرمیاں انجام دیتا ہے۔

حصص یافتگان کے لیے منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے فی حصص 1.25 روپے (12.5 فیصد) حتمی نقد منافع منقسمہ کی سفارش کی ہے، جو آئندہ سالانہ اجلاس عام (AGM) میں حصص یافتگان کی منظوری سے مشروط ہوگا۔ اس کے ساتھ سال کے لیے مجموعی نقد منافع منقسمہ فی حصص 2.75 روپے ہو جائے گا، جس میں قبل ازیں ادا کیا گیا 1.5 روپے فی حصص (15 فیصد) عبوری منافع منقسمہ بھی شامل ہے۔

مستقبل کی حکمت عملی

بینک اسلامی اپنی آئندہ پیش رفت کے مرحلے میں مضبوط منافع، بڑھتی ہوئی مارکیٹ اہمیت اور شراکت داروں کے گہرے اعتماد کے ساتھ داخل ہو رہا ہے۔

سود سے پاک بینکاری اور اخلاقی مالیاتی حل فراہم کرنے کے اپنے مقصد کے تحت، آئندہ برسوں کے لیے بینک کی حکمت عملی نظم و ضبط کے ساتھ وسعت حاصل کرنے، بنیادی بینکاری شعبوں کو مضبوط بنانے، پیداواری صلاحیت اور صارفین کے تجربے کو بہتر بنانے کے لیے ٹیکنالوجی سے استفادہ کرنے، اور بینک اسلامی کو ایک نمایاں اسلامی بینک کے طور پر مستحکم کرنے پر مرکوز ہے۔

بینک کی بنیادی مالی ترجیح مستحکم اور کم لاگت ڈپازٹس میں مسلسل اضافے کے ذریعے فنڈنگ ہیں کو مزید مضبوط بنانا ہے، جبکہ محتاط اور متنوع فنانشنگ پورٹ فولیو کو برقرار رکھا جائے گا۔ اثاثہ جات میں توسیع اقتصادی طور پر پیداواری شعبوں، بشمول SMEs، تجارت و سپلائی چین کاروبار، انفراسٹرکچر اور کنزیومر اسلامی فنانشنگ پر مرکوز رہے گی، جسے مؤثر رسک سٹریٹجی اور پورٹ فولیو مانیجنگ کی معاونت حاصل ہوگی۔ سرمائے کی مضبوطی، لیکویڈیٹی کا نظم و ضبط اور منافع بخشی ناقابل مجھوتہ بنیادیں رہیں گی۔

بینک ایک مربوط فینٹل آپرینٹنگ ماڈل کی جانب پیش قدمی کر رہا ہے، جو براؤنج نیٹ ورک کو مضبوط ڈیجیٹل صلاحیتوں کے ساتھ یکجا کرتا ہے۔ اینٹیلجنس، مصنوعی ذہانت (Artificial Intelligence) اور کلاؤڈ انفراسٹرکچر میں سرمایہ کاری کے ذریعے کریڈٹ فیصلوں، فراڈ مینجمنٹ، صارفین کی شخصی خدمات اور آپریشنل کارکردگی کو بہتر بنایا جا رہا ہے، جس سے لاگت میں کمی اور وسعت پذیری میں اضافہ ممکن ہوگا۔

پائیدار مالیات اور مضبوط گورننس بینک کی طویل مدتی قدر کی تخلیق کے لازمی اجزاء ہیں۔ بینک قابل تجدید توانائی، ذمہ دارانہ انفراسٹرکچر اور سماجی اثرات کے حامل شعبوں میں فنانشنگ کو وسعت دے رہا ہے، جبکہ SMEs اور کم خدمات یافتہ طبقات کی مالی شمولیت کو فعال طور پر فروغ دے رہا ہے۔ گورننس کے معیارات، رسک کنٹرولز، کمپلائنس اور سائبر سیکیورٹی کو مزید مضبوط بنایا جائے گا تاکہ ادارے کی حفاظت اور معاشی اتار چڑھاؤ کے دوران استحکام یقینی بنایا جاسکے۔

افراد بینک کا سب سے قیمتی اثاثہ ہیں۔ قیادت کی ترقی اور کارکردگی پر مبنی احتساب پر مسلسل توجہ اسٹریٹجک اہداف کی مؤثر تکمیل میں معاون ہوگی۔

منظم نفاذ، واضح مالی ترجیحات اور مسلسل بہتری کے ذریعے، بینک اسلامی ایک مضبوط اور زیادہ مستحکم اسلامی بینکاری ادارہ تشکیل دے رہا ہے، جو پائیدار منافع اور طویل مدتی حصص یافتگان کی قدر فراہم کرنے کی صلاحیت رکھتا ہے، اور ساتھ ہی سود سے پاک، ذمہ دارانہ بینکاری کے اصولوں پر ثابت قدم ہے۔

پالیسی ریٹ میں نمایاں کمی، جو جون 2024 میں 22 فیصد سے کم ہو کر دسمبر 2025 تک 10.5 فیصد رہ گئی، نے بینک کے صافی مارجنز پر منفی اثر ڈالا۔ اس دباؤ میں مزید اضافہ یکم جنوری 2025 سے نافذ ہونے والی ریگولیٹری تبدیلی کے باعث ہوا، جس کے تحت تمام اسلامی بینکاری اداروں (IBIs) کو سیونگ ڈپازٹس پر اپنے سرمایہ کاری پول کے اوسط کی مجموعی آمدنی کی شرح کے کم از کم 75 فیصد کے برابر منافع ادا کرنا لازم قرار دیا گیا۔ نتیجتاً، مالی فرق میں سال بہ سال 23.1 فیصد کمی واقع ہوئی۔

ان چیلنجز کے باوجود، بینک کی آمدنی کے تنوع پر مبنی حکمت عملی نے مثبت نتائج دے دیے اور غیر مالیاتی آمدنی (NFI) میں 107.3 فیصد اضافہ ہوا، جس کے باعث مجموعی آمدنی میں کمی کو 11.4 فیصد تک محدود رکھنے میں مدد ملی۔ تاہم آپریٹنگ اخراجات میں سال بہ سال 41.8 فیصد اضافہ ہوا، جس کی بڑی وجہ افراط زر کا دباؤ اور برانچ نیٹ ورک کی توسیع اور ٹیکنالوجی میں سرمایہ کاری جیسے اسٹریٹجک اقدامات تھے، جن کا مقصد صارفین کی سہولت اور طویل مدتی پائیدار ترقی کی حمایت ہے۔

مندرجہ بالا عوامل کے نتیجے میں قبل از محصول منافع میں 45.3 فیصد کمی واقع ہوئی۔ آئندہ کے لیے، بینک لاگت کے بہتر انتظام اور قدر میں اضافہ کرنے والے کاروباری ترقیاتی اقدامات میں سرمایہ کاری کے ذریعے آمدنی بڑھانے پر توجہ مرکوز رکھے گا، جبکہ صارفین کی سہولت اور آپریشنل کارکردگی کو بہتر بنانے کے لیے ٹیکنالوجی میں سرمایہ کاری جاری رکھی جائے گی۔

گروپ کے نتائج

بنیادی سرگرمیاں

گروپ کی اہم اور نمایاں سرگرمیاں درج ذیل ہیں:

- بینک اسلامی پاکستان لمیٹڈ (ہولڈنگ کمپنی) – شیڈولڈ اسلامی کمرشل بینک
- شکرگنج فوڈ پروڈکٹس لمیٹڈ (ایسوسی ایٹ) – خوراک کی مصنوعات کی تیاری، پراسیسنگ اور فروخت
- BIPL ایکسیجیٹ کمپنی (پرائیویٹ) لمیٹڈ (ذیلی ادارہ) – زر مبادلہ لین دین اور ترسیلات زر

گروپ کی مالی کارکردگی

سال 2025 میں گروپ کے کل اثاثہ جات میں 4.4 فیصد اضافہ ریکارڈ کیا گیا، جو مجموعی مالی پوزیشن میں بہتری کی عکاسی کرتا ہے۔ یہ اضافہ بنیادی طور پر فنانسنگ سرگرمیوں میں توسیع اور حکومت پاکستان کے اجارہ صکوک میں اضافے کی بدولت ممکن ہوا۔

سال کے دوران پالیسی شرح میں نمایاں کمی کے باعث منافع پر منفی اثرات مرتب ہوئے، تاہم اس کے باوجود گروپ نے بعد از محصول 6 ارب روپے کا منافع حاصل کیا، جو گزشتہ سال کے مقابلے میں 49.3 فیصد کمی کو ظاہر کرتا ہے۔ کم پالیسی شرح کے اثرات کو جزوی طور پر آمدنی پیدا کرنے والے اثاثہ جات میں اضافے اور منافع بردار واجبات میں نمو کے ذریعے متوازن کیا گیا۔



بینک کی ایک نمایاں قوت، CASA ڈپازٹس، گزشتہ برسوں کے دوران مسلسل 60 فیصد سے زائد رہی ہے۔ تاہم ایک دہائی میں یہ تیسری مرتبہ ہے کہ بینک نے CASA مگس کو 70 فیصد سے تجاوز کرتے ہوئے اسے 71.2 فیصد تک پہنچایا۔ اس کارکردگی کو کرنٹ ڈپازٹس میں 35.2 فیصد اور سیونگ ڈپازٹس میں 18.1 فیصد سالانہ اضافے کی معاونت حاصل رہی، جو کم لاگت اور پائیدار فنڈنگ پر بینک کی توجہ کو واضح کرتا ہے۔ ٹرم ڈپازٹس مجموعی طور پر مستحکم رہا اور گزشتہ سال کے 191.8 ارب روپے کے مقابلے میں معمولی 1 فیصد کمی کے ساتھ 189.8 ارب روپے رہا۔ یہ معمولی کمی متوازن اور کم لاگت ڈپازٹ مگس برقرار رکھنے اور CASA کی نمو کو ترجیح دینے کی حکمت عملی کی عکاس ہے۔ مستحکم ٹرم ڈپازٹس بیس اثاثہ جات کی منصوبہ بند تعیناتی اور لیکویڈیٹی مینجمنٹ کے لیے قابل اعتماد ذریعہ فنڈنگ فراہم کرتی رہی۔ مجموعی طور پر ڈپازٹس میں اضافہ مختلف مارکیٹ کے حصوں کی مخصوص ضروریات کو مد نظر رکھتے ہوئے موزوں مصنوعات فراہم کرنے کی اسٹریٹجک حکمت عملی کا نتیجہ ہے۔

سال کے دوران بینک کے فنانسنگ پورٹ فولیو میں 1.5 فیصد کی معمولی کمی واقع ہوئی اور 2025 کے اختتام پر یہ 291.7 ارب روپے رہا، جبکہ ایڈوانس ٹو ڈپازٹ ریشو 48.8 فیصد پر رہا۔ معمولی کمی کے باوجود اثاثہ جات کا معیار مزید بہتر ہوا اور ایکسٹرن ریشو گزشتہ سال کے 7.4 فیصد سے کم ہو کر 6.8 فیصد پر آ گیا، جو مؤثر رسک مانیٹرنگ اور کریڈٹ مینجمنٹ کی عکاسی کرتا ہے۔ اعلیٰ معیار کی کریڈٹ ایکسپوزرز پر مبنی محتاط فرضہ جاتی حکمت عملی نے مستحکم ترقی، بہتر لیکویڈیٹی اور ممکنہ کریڈٹ خطرات کے خلاف مضبوطی کو تقویت دی۔ اسی نظم و ضبط کے تحت بینک نے اپنی مصنوعات کے دائرہ کلد کو بھی محتاط انداز میں وسعت دی، جن میں سونے پر مبنی اور ذاتی سیکورڈ فنانسنگ سہولیات شامل ہیں، تاکہ طبی، تعلیمی، شادی، سفر اور روایتی واجبات کی ادائیگی جیسے حقیقی صارفین کی ضروریات پوری کی جاسکیں، جبکہ محتاط رسک مینجمنٹ اور شریعہ اصولوں کی مکمل پاسداری کو یقینی بنایا گیا۔

بینک کے سرمایہ کاری پورٹ فولیو نے حالیہ برسوں میں مسلسل ترقی کا مظاہرہ کیا، جو محتاط اور متنوع سرمایہ کاری حکمت عملی کی عکاسی ہے۔ سال کے دوران لیکویڈیٹی اور صکوک پورٹ فولیو میں 2.8 فیصد اضافہ ہوا، تاہم مجموعی طور پر سرمایہ کاری پورٹ فولیو میں 6.4 فیصد کمی واقع ہوئی، جس کی بنیادی وجہ پاکستان ازبجی صکوک (PES) کو فنانسنگ میں تبدیل کیا جانا تھا۔ حکومت پاکستان کی وسیع تر فرضہ جاتی نظم و نسق اور گردش قرضہ کے حل کی حکمت عملی کے تحت اس تبدیلی کے نتیجے میں ان اثاثہ جات کی طویل المدتی فنانسنگ کے طور پر از سر نو درجہ بندی کی گئی۔ اس کے نتیجے میں انویسٹمنٹ ٹو ڈپازٹ ریشو گزشتہ سال کے 62.1 فیصد سے کم ہو کر 49.2 فیصد رہ گیا۔

لیکویڈیٹی مینجمنٹ اور بیلنس شیٹ میں لچک کو بہتر بنانے کے لیے بینک نے اضافی لیکویڈیٹی کو قلیل مدتی مشارکہ تعیناتی میں اسٹریٹجک انداز میں لگایا، جس سے پورٹ فولیو میں 14.7 ارب روپے کا اضافہ ہوا۔ اس پورٹ فولیو کی از سر نو ہم آہنگی کا مقصد رسک ایکسپوزر کو بہتر بنانا اور لیکویڈیٹی مینجمنٹ کو مضبوط کرنا تھا، جبکہ یہ اقدام بینک کی مجموعی بیلنس شیٹ حکمت عملی سے ہم آہنگ رہا۔

ایک مضبوط اور مستحکم سرمائے کی بنیاد بینک کے بڑھتے ہوئے اثاثہ جاتی پورٹ فولیو اور رسک لینے کی صلاحیت کے لیے بنیادی اہمیت رکھتی ہے۔ 31 دسمبر 2025 تک بینک کا موزوں سرمائے کا تناسب (CAR) 16.6 فیصد رہا، جو 11.5 فیصد کے مقررہ ریگولیٹری تقاضے سے نمایاں طور پر زیادہ ہے، اگرچہ یہ گزشتہ سال کے 24.1 فیصد سے کم ہے۔ اس کمی کی بنیادی وجہ اسٹیٹ بینک آف پاکستان سے حاصل کردہ طویل مدتی سہولت (جو ٹیمپ-2 سرمائے کے لیے اہل تھی) کی واپسی اور رسک ویڈو اثاثہ جات میں اضافہ تھا، جو بلند سرمایہ کاری اور غیر مالیاتی ایکسپوزرز کے باعث ہوا۔ ان میں کلفٹن، کراچی میں 32 منزلہ نمایاں کمرشل ٹاور کا حصول بھی شامل ہے، جو آپریٹل صلاحیت کو مضبوط بنانے اور جدید کارپوریٹ شناخت قائم کرنے کی اسٹریٹجک توسیع کا حصہ تھا۔ کمی کے باوجود ریگولیٹری CAR کم از کم حد سے خاصا بلند ہے، جو بینک کی مضبوط سرمائے کی پوزیشن اور محتاط رسک مینجمنٹ کی عکاسی کرتا ہے۔

کا حصول ہمارے بڑھتے ہوئے عملی دائرہ کار اور ایک باوقار کارپوریٹ شناخت قائم کرنے کے عزم کی عکاسی کرتا ہے۔

تغیرات	2024	2025	بیلینس شیٹ کے اہم اعداد و شمار
	روپے ہزار میں		
18.06%	559,177,932	660,183,339	ڈپازٹس
-1.47%	296,097,250	291,750,609	فنانسنگ اور متعلقہ اثاثہ جات - صافی
-6.42%	345,051,553	322,887,104	سرمایہ کاری - صافی
-83.33%	87,662,161	14,613,108	ایف آئی (FI's) کو واجب الادا
346.23%	4,257,928	18,999,952	ایف آئی (FI's) کی طرف واجب الادا
0.63%	48,309,276	48,613,908	صافی اثاثہ جات

تغیرات	2024	2025	منافع اور اخراجات کے اہم اعداد و شمار
	روپے ہزار میں		
-34.19%	112,800,697	74,234,782	حاصل شدہ آمدنی / منافع
-41.90%	66,414,069	38,583,707	خرچ کردہ آمدنی / منافع
-23.14%	46,386,628	35,651,075	حاصل کردہ صافی آمدنی
107.27%	4,590,534	9,514,742	فیس اور کمیشن سے حاصل آمدنی
-11.40%	50,977,162	45,165,817	کل آمدنی
41.83%	22,159,072	31,427,228	آپریٹنگ اخراجات
-45.30%	25,529,701	13,963,505	قبل از محصول منافع
-49.27%	11,833,541	6,002,782	بعد از محصول منافع
-49.27%	10.6733	5.4142	فی حصص آمدنی (روپے میں)

الحمد للہ، بینک نے اپنی مضبوط ترقی کی رفتار کو برقرار رکھتے ہوئے ایک اہم سنگ میل حاصل کیا اور ایک دہائی میں دوسری مرتبہ اپنے ڈپازٹ بیس میں 100 ارب روپے سے زائد اضافہ کیا، جس کے نتیجے میں سال کے اختتام پر مجموعی ڈپازٹس 660 ارب روپے تک پہنچ گئے۔ سال بہ سال 18.1 فیصد کی یہ متاثر کن شرح نمو صارفین کے بڑھتے ہوئے اعتماد کی عکاس ہے اور ایک مضبوط و متنوع ڈپازٹ بیس کی تشکیل کے لیے بینک کے غیر متزلزل عزم، منظم حکمت عملی اور مرکوز کاوشوں کا ثبوت ہے۔

بینکنگ صنعت کا جائزہ

مالیاتی شعبہ پورے سال مستحکم اور مضبوط سرمائے کے ساتھ قائم رہا۔ بینکاری نظام نے مضبوط لیکویڈیٹی، محتاط رسک کا انتظام اور اثاثہ جات کے معیار میں بہتری کی بدولت اپنی لچک اور مضبوطی کا مظاہرہ کیا۔ شرح سود میں بتدریج کمی کے ماحول کے باوجود منافع بخش کارکردگی برقرار رہی، جو مؤثر بیلنس شیٹ کے انتظام، مستحکم مارجنز اور غیر مالیاتی آمدنی کے ذرائع میں اضافے کی عکاس ہے۔

دو بڑے بینکوں یعنی NBP اور UBL کو مستثنیٰ کرتے ہوئے، جنہوں نے نمایاں ترقی حاصل کی، 30 ستمبر 2025 کو ختم ہونے والے نو ماہ کے دوران بینکاری صنعت کے مجموعی منافع (بعد از محصولات) میں 14.1 فیصد کمی ریکارڈ کی گئی۔ تاہم مجموعی طور پر صنعت نے 12.4 فیصد منافع میں اضافہ رپورٹ کیا، جس کی بنیادی وجہ صافی سود آمدن میں اضافہ تھا، حالانکہ اس عرصے میں مجموعی طور پر 200 بیسیس پوائنٹس کی پالیسی شرح میں کمی سمیت مزید مالیاتی نرمی کی گئی۔ اس کے باوجود، شعبے نے حجم میں اضافے، سودی اخراجات کے مؤثر انتظام اور کم از کم ڈپازٹ شرح کے اطلاق سے بعض ڈپازٹرز کے اخراج سے متعلق ریگولیٹری تبدیلیوں کے مؤثر نفاذ کے ذریعے یہ کارکردگی حاصل کی۔

اگرچہ اس عرصے کے دوران ایک اہم تبدیلی ADR پر مبنی محصول کے خاتمے کے بعد کارپوریٹ محصول کی شرح میں اضافہ تھا، پھر بھی مجموعی منافع میں توسیع دیکھنے میں آئی۔ قابل ذکر بات یہ ہے کہ منافع میں اضافہ غیر سودی آمدنی میں نمایاں اضافے کی بدولت بھی ہوا، جس میں زرمبادلہ اور سرمایہ جاتی منافع قابل ذکر ہیں۔

اسلامی بینکوں نے بیلنس شیٹ کی توسیع کے لحاظ سے مجموعی شعبے سے بہتر کارکردگی دکھائی۔ 30 ستمبر 2025 تک اسلامی ڈپازٹس 9,850 ارب روپے تک پہنچ گئے، جو سال بہ سال 29.7 فیصد اضافہ ظاہر کرتے ہیں۔ کل اثاثہ جات اور صافی فنانسنگ میں بالترتیب 28.3 فیصد اور 26.4 فیصد اضافہ ہوا، جبکہ صافی سرمایہ کاری میں بھی 30.7 فیصد اضافہ ریکارڈ کیا گیا۔

مستقبل میں، شرح سود کے مستحکم رہنے اور کمزور بیرونی کھاتے کی وجہ سے جاری زر مبادلہ کنٹرول کے تناظر میں، بینکاری شعبے کی بنیادی آمدنی میں جمود آسکتا ہے۔ قلیل مدت میں آپریٹل کارکردگی اور غیر مالیاتی آمدنی شعبے کو اپنے منافع کو برقرار رکھنے اور بہتر بنانے میں مدد دے سکتی ہے۔ تاہم درمیانی اور طویل مدت میں اقتصادی ترقی کے نتیجے میں بیلنس شیٹس کی توسیع کے ذریعے بینکاری شعبہ سب سے بڑا مستفید ہونے والا شعبہ ہوگا۔

(ماخذ: اسٹیٹ بینک آف پاکستان، معاشی ڈیٹا، اشاعتیں اور اخباری ذرائع)

نمایاں لین دین

الحمد للہ، بینک نے سال 2025 کامیابی سے مکمل کیا، جو پائیدار ترقی اور طویل مدتی قدر کی تخلیق پر مرکوز ہماری اسٹریٹجک حکمت عملی کے منظم نفاذ سے عبارت ہے۔ اس سال کا ایک اہم سنگ میل 'aik' کا آغاز تھا، جو پاکستان کا اولین اسلامی ڈیجیٹل بینکاری حل ہے۔ شریعہ اصولوں کو جدید ٹیکنالوجی کے ساتھ ہم آہنگ کرتے ہوئے، 'aik' ٹیکنالوجی سے وابستہ صارفین کے لیے ایک ہموار، محفوظ اور جدید بینکاری تجربہ فراہم کرتا ہے۔

آمدنی کے ذرائع کو متنوع بنانے کے لیے ایک اہم قدم کے طور پر، بینک نے 8 اگست 2025 کو BIPL Exchange Company (Private) Limited کو اپنی مکمل ملکیتی ذیلی کمپنی کے طور پر شامل کیا۔ زر مبادلہ اور ترسیلات زر کے شعبے میں پیش رفت گروپ کی موجودگی کو مضبوط بنانی ہے اور طویل مدتی اسٹیٹ ہولڈر ویلیو میں اضافے کی صلاحیت کو مستحکم کرتی ہے۔ مزید برآں، کلفٹن، کراچی میں 32 منزلہ نمایاں کمرشل ٹاور

کی جانب بنیادی سال کے اثرات کے باعث مہنگائی میں معمولی اضافہ ممکن ہے۔ عالمی اجناس کی قیمتوں میں اضافہ اور موجودہ جغرافیائی سیاسی حالات مہنگائی میں کمی کے لیے اہم خطرات تصور کیے جا رہے ہیں۔

افراط زر میں مسلسل کمی، بہتر بیرونی کھاتوں اور معاشی ترقی میں سست روی کے پیش نظر اسٹیٹ بینک کی مالیاتی پالیسی کمیٹی نے جون 2024 سے دسمبر 2025 کے درمیان پالیسی ریٹ میں مجموعی طور پر 1,150 بیسیس پوائنٹس کی کمی کی جس سے یہ شرح 10.5 فیصد پر آگئی۔ چونکہ افراط زر کی مستحکم توقعات کے ساتھ حقیقی شرح سود اب بھی مثبت ہے، اس لیے پالیسی شرح میں مزید کمی کے امکان کو مسترد نہیں کیا جاسکتا۔ تاہم، توقع ہے کہ مانیٹری پالیسی دستیاب اعداد و شمار پر منحصر رہے گی، جس میں معاشی ترقی کے فروغ اور قیمتوں و بیرونی استحکام کے تحفظ کے درمیان توازن برقرار رکھا جائے گا۔

مالی نظم و ضبط اس عرصے میں معاشی پالیسی کا مرکزی عنصر رہا۔ مالی سال 2024-25 میں مالی خسارہ جی ڈی پی کے 5.4 فیصد تک محدود رہا، جو گزشتہ سال کے 6.8 فیصد کے مقابلے میں کم ہے۔ اگرچہ فیڈرل بورڈ آف ریونیو کی محصولاتی وصولیائی 26.1 فیصد اضافے کے ساتھ جی ڈی پی کے 10.3 فیصد تک پہنچ گئی، جبکہ یہ گزشتہ سال 8.8 فیصد تھی۔ تاہم یہ آئی ایم ایف کے ہدف سے کم رہی جس کی وجہ جی ڈی پی کی نمو اور تجارتی سرگرمیوں میں سست روی، اور نفاذ کے اقدامات پر عمل درآمد کی کمی تھی۔

اسٹیٹ بینک آف پاکستان سے حاصل ہونے والے 2.4 ٹریلین روپے کے منافع نے مجموعی خسارے کو قابو کرنے میں کلیدی کردار ادا کیا، جس کی بدولت جی ڈی پی کے 2.2 فیصد تک اب تک کا سب سے زیادہ اور مسلسل دوسرا "بنیادی اضافہ" حاصل ہوا، جو آئی ایم ایف کے ہدف کے مطابق ہے۔ مالیاتی استحکام کی پالیسی جاری رہنے کی توقع ہے کیونکہ محصولاتی آمدنی آئی ایم ایف کے اہداف سے پیچھے ہے، جبکہ شرح سود میں کمی سے وفاقی حکومت کے قرضوں کی ادائیگی کے بوجھ کو کم کرنے میں مدد فراہم کرے گی۔

بیرونی شعبے میں ادائیگیوں کے توازن کی صورتحال بہتر رہی، جہاں ترسیلات زر مضبوط رہیں اور 13 سال بعد کرنٹ اکاؤنٹ میں اضافہ ریکارڈ ہوا۔ برآمدات میں خاطر خواہ اضافہ نہ ہو سکا جبکہ درآمدی طلب معتدل معاشی سرگرمیوں کے باعث محدود رہی۔ 31 دسمبر 2025 تک اسٹیٹ بینک کے پاس زرمبادلہ کے ذخائر 15.9 ارب امریکی ڈالر تک پہنچ گئے جو تین ماہ سے زائد درآمدات کے لیے کافی ہیں۔ سال 2025 میں روپے کی قدر میں صرف 0.7 فیصد کمی ہوئی جس سے مالیاتی منڈیوں میں استحکام رہا۔

ملک کی مجموعی معاشی ترقی کے نتیجے میں، بین الاقوامی کریڈٹ ریٹنگ ایجنسیوں نے پاکستان کی خود مختار کریڈٹ ریٹنگ میں بہتری کی، جو مستقبل میں عالمی بانڈ مارکیٹ تک رسائی کے لیے اہم پیش رفت ہے۔

ملک میں معاشی سرگرمیوں میں بتدریج اضافے کے ساتھ، کرنٹ اکاؤنٹ سال کے اختتام تک جی ڈی پی کے 0.5 فیصد تک خسارے کے ساتھ بند ہونے کی توقع ہے، کیونکہ اقتصادی سرگرمیوں میں اضافے کے درمیان تجارتی خسارہ بڑھتا ہے جبکہ ترسیلات زر مضبوط رہتی ہیں۔

(ماخذ: SBP مانیٹری پالیسی اسٹیٹمنٹ، SBP ڈیٹا اور اخباری ذرائع)

ڈائریکٹرز کی ممبران کے لئے رپورٹ

معزز اراکین،

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 دسمبر 2025 کو اختتام پزیر ہونے والے سال کیلئے آڈٹ شدہ سالانہ مالی گوشواروں کے ہمراہ بینک اسلامی پاکستان لمیٹڈ ("بینک" یا "بینک اسلامی") کے ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

بنیادی سرگرمیاں

بینک اسلامی بنیادی طور پر لائسنس یافتہ شیڈیولڈ اسلامی کمرشل بینک ہے، جو ملک بھر میں 569 برانچز (بشمول 60 ذیلی برانچز) کے نیٹ ورک کے ذریعے شریعت کے مطابق مالی مصنوعات فراہم کر رہا ہے۔ بینک کارپوریٹ، کمرشل، SME، زرعی، کنزیومر اور ریٹیل صارفین کی ضروریات پوری کرنے والے جدت آمیز حل فراہم کرنے کے لئے پر عزم ہے۔ غیر ملکی زر مبادلہ اور ترسیلات زر کی خدمات اس کے مکمل ملکیتی ذیلی ادارے کے ذریعے فراہم کی جاتی ہیں ہماری توجہ پائیدار ترقی، ڈیجیٹل تبدیلی، اور مالیاتی شمولیت بڑھانے پر مرکوز ہے تاکہ ہم ایک معروف اسلامی مالیاتی ادارے کے طور پر اپنی پوزیشن مزید مضبوط بنا سکیں۔

معیشت اور صنعت کا جائزہ

معیشت کا مختصر جائزہ

زیر نظر سال کے دوران پاکستان کی معیشت نے مجموعی طور پر استحکام برقرار رکھا۔ اگرچہ مالی سال 2024-25 میں شرح نمو نسبتاً کم رہی، تاہم موجودہ مالی سال میں بحالی کے آثار نمایاں ہیں، جس کی بنیاد محتاط اور منظم کل معاشی نظم و نسق، بین الاقوامی مالیاتی شراکت داروں خصوصاً بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ مؤثر ہم آہنگی، اور اعتماد کی بحالی و مالی استحکام کے تحفظ کے لیے محتاط پالیسی پر رکھی گئی۔

مالی سال 2024-25 کے دوران حقیقی جی ڈی پی کی شرح نمو 2.68 فیصد رہی جس میں صنعتی شعبے نے کلیدی کردار ادا کیا۔ بحالی کے تسلسل کے ساتھ مالی سال 2025-26 کی پہلی سہ ماہی میں جی ڈی پی کی شرح نمو 3.71 فیصد ریکارڈ کی گئی، جس کی بنیادی وجہ صنعتی شعبے میں مجموعی طور پر 9.38 فیصد اضافہ تھا۔ زرعی شعبہ شدید سیلاب اور فصلوں کی کم پیداوار کے باوجود 2.89 فیصد نمو حاصل کرنے میں کامیاب رہا، جبکہ خدمات کا شعبہ مجموعی ترقی میں استحکام کا باعث بنا رہا۔ اسٹیٹ بینک کو توقع ہے کہ رواں مالی سال میں حقیقی جی ڈی پی کی شرح نمو 3.25 فیصد سے 4.25 فیصد کے درمیان رہے گی، جسے کم شرح سود اور مقامی طلب میں بحالی سے تقویت ملنے کی توقع ہے۔

افراط زر میں کمی کا رجحان جاری رہا اور مالی سال 2024-25 میں اوسط مہنگائی 4.49 فیصد تک کم ہو گئی، جو گزشتہ مالی سال کے 23.41 فیصد کے مقابلے میں نمایاں کمی ہے۔ یہ بہتری سخت مالیاتی پالیسی، عالمی اجناس کی قیمتوں میں کمی، مستحکم شرح مبادلہ اور توانائی کی قیمتوں سے متعلق انتظامی اقدامات کا نتیجہ تھی۔

اگرچہ خوراک کی قیمتوں میں رسد کے عوامل کے باعث اتار چڑھاؤ رہا مگر مجموعی طور پر قیمتوں کا استحکام بہتر ہوا۔ آئندہ کے لیے توقع ہے کہ خوراک کی فراہمی میں بہتری کے ساتھ مہنگائی مستحکم رہے گی، تاہم مالی سال کے اختتام

BADSHAHI MASJID



Badshahi Masjid

The Badshahi Masjid in Lahore represents devotion, heritage, and Mughal grandeur at its finest. Built during the reign of Emperor Aurangzeb, it once housed sacred relics of the Prophet Muhammad (P.B.U.H) and continues to stand as a living emblem of unity and faith. Its vast courtyards and red sandstone walls echo centuries of Islamic tradition and magnificence.

SHARIAH BOARD REPORT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ، وَالصَّلَاةُ وَالسَّلَامُ عَلَى مُحَمَّدٍ وَآلِهِ وَصَحْبِهِ أَجْمَعِينَ، وَمَنْ تَبِعَهُمْ
بِإِحْسَانٍ إِلَى يَوْمِ الدِّينِ، أَمَّا بَعْدُ!

All thanks and praise are due to the Almighty Allah, with whose grace BankIslami successfully concluded the year 2025. The transformative year was marked by a strategic expansion of the horizons of Riba-free banking through digitalization, as the Bank steadily advanced on its journey of exploring cutting-edge digital platforms for enhancing accessibility and service.

The Shariah Board hereby presents its Annual Report on the affairs of BankIslami for the year ended December 31, 2025.

The Shariah Board (SB) convened four quarterly meetings during the year to review and approve various matters including product and service innovations, conceptual developments, transactions and associated Shariah considerations. The Shariah Board also held two meetings with the Board of Directors during this period to bring to their knowledge developments related to the overall Shariah compliance environment, and related matters.

The Shariah Board commends the Board of Directors for their commitment towards upholding and improving the Shariah compliance environment of the Bank.

Shariah Compliance

The SB appreciates the Bank's management for supporting the Shariah Compliance Department (SCD) in effectively discharging its role, which has been tasked by the regulator with assisting the SB in developing and maintaining a comprehensive Shariah compliance framework for all areas of operations; thus in ensuring that the operations of the Bank are aligned with Shariah principles, SCD serves as a pathway between the SB and the management of the Bank.

The SCD collaborated closely with the Shariah Board (SB) throughout the year, seeking their guidance, opinions and verdicts, and providing prompt feedback, advice and solutions to the Bank's diverse business units.

Upholding rigorous Shariah standards remained the primary area of focus this year, with the SCD achieving this by designing, implementing, refining, monitoring and testing essential internal controls for various areas of operations. Throughout the year the team conducted comprehensive reviews, streamlined key processes, and where required, issued guidelines, all under the SB's supervision.

The team reviewed critical documents and cases, including Transaction Fact Sheets (TFS), bank guarantees, legal agreements, restructurings and settlements, etc. having granted more than 3,800 approvals during the year. The review activities also included the utilization

of video conferencing and on-site inspections, to monitor various execution stages of financing transactions, including the delivery of goods. Furthermore, the team performed post-execution review – on random check basis – of various functions and operations to ensure ongoing compliance.

In compliance with the regulatory requirements, the SCD conducted regular assessments of the Pool Management function, including pre-disbursement reviews, especially in light of the regulatory requirements introduced for distribution of profit by Islamic banks to their depositors.

The Bank-wide project of reviewing policy, framework and procedural documents through external consultancy services was supported by the SCD team in the form of Shariah review of all documents taken up during the exercise.

The team also continued to participate in the induction and BPR stages of the core banking transformation project underway within the Bank, ensuring that Shariah controls are effectively placed within the new system.

Product innovation and diversification was supported by the SCD through finalization of Shariah structures, review of relevant manuals, policies, procedures and documents for a proactive identification and mitigation of potential Shariah non-compliance risks involved therein, and obtaining regulatory approvals where required. These included, among other initiatives:

- The launch of the “Aik Digital Mobile app”, and all the product/service offerings through it;
- Digital Supply Chain Financing, launched during the year;
- Pakistan’s first-ever Islamic gold-based financing product launched in 2025;
- BankIslami Kids Account; and
- BankIslami Humsafar – Hajj & Umrah product

Additionally, the SCD assisted the Shariah Board in reviewing and approving the Bank’s marketing activities, including advertisements, social media content, sponsorships, alliances, etc.

Branch Banking is the face of Islamic Banking for customers as well as public in general. In order to ensure that frontline staff possesses the necessary Shariah Knowledge and maintains Shariah compliance at branch level, SCD performed sample-based Shariah Review and Knowledge Assessment of 199 branches across the country throughout the year. Monitoring and enforcement on this front continued to be supported by the SQ function.

Shariah compliance within the Bank was also strengthened through internal and external Shariah Audit activities and the subsequent determination of corrective actions by the SB on reports issued by SCD, Internal and External Shariah Audit Reports and SBP Inspection Reports, respectively.

BankIslami

The Islamic banking syndicate transactions undertaken during the year were supported by the Shariah team through the structuring, review and approval phases, some notable transactions being Pakistan's first Green Sukuk (GoP Sukuk), Pakistan's first Agri infrastructure Sukuk, the award-winning Sunridge Agri Infrastructure Sukuk, Central Power Purchasing Agency (CPPA-G) syndicate transaction, etc.

In continuation of BankIslami's crucial role as a Joint Financial Advisor (JFA) to the Ministry of Finance (MoF), the SCD collaborated with other JFAs, the MoF, and the State Bank of Pakistan (SBP) for developing innovative Sukuk structures in consultation with the Shariah Board. The team also facilitated the MoF in the design of and obtaining the Shariah Board's approval on various initiatives including the Hybrid Sukuk (Ijarah and Commodity Murabahah) and transaction structure for the Bursa Suq Al-Sila' (BSAS) Platform, Bai Muajjal with the Government of Pakistan on Government Ijarah Sukuk, the first-ever Bai Muajjal auction on the PSX, etc.

The team also continued to contribute towards the deliberations and activities of various working groups constituted by the State Bank of Pakistan for the Islamic transformation of the banking sector.

Shariah Training and Development

Training sessions (classroom and online) on Islamic Banking concepts were conducted in various cities throughout the year, with more than 5,600 participants having attended these sessions. These sessions also included specific Shariah training of different staff members, designed to manage the Shariah Non-Compliance Risks (SNCR) related to their roles.

Fourteen (14) batches of the Intermediate level training programs "Certified Islamic Retail Banker (CIRB)" and "Certified Islamic Corporate Banker (CICB)" were also conducted for nominated staff members. These programs aim to provide the participants with adequate product knowledge for addressing customers' queries and offering them the best-suited financing products, while ensuring Shariah compliance during execution of the transactions.

In pursuit of improving understanding of Islamic banking among all stakeholders, special sessions were also arranged for third party staff and the digital field officers of Aik.

The flagship awareness series "Mukaalma" was continued this year, with sessions arranged for the senior leadership of the Bank located in Lahore and Islamabad. Management of both the regions attended in-person Q&A sessions with the Shariah Board, to discuss the Islamic banking philosophy, products and their application. Additionally, furthering the agenda of cultivating an Islamic banking mindset within the organization, a session on "Cultivating Barakah Culture for Sustainable Success in IB" was also organized during the year for the Bank's leadership.

During the year, participation of members of the Shariah Board was ensured in various conferences and trainings on topics such as Monetary Policy, AI Awareness and Strategy, Anti-Money Laundering, etc. providing them exposure to developments in Islamic Banking and Finance. Moreover, an orientation session on "Sustainable Development Goals (SDGs) and Islamic Teachings" was conducted for the Board of Directors, by the Chairperson, SB.

Islamic Banking Awareness Related Initiatives

In line with the Bank's mission of "saving humanity from Riba", the Bank carried out a number of awareness initiatives during the year.

SCD assisted in the launch of and operating the 'Connect with Mufti,' Pakistan's first-ever feature built into a WhatsApp banking service, allowing customers to get instant, Shariah-compliant financial advice directly from certified Muftis.

The customer awareness series "Mukaalma with Shariah Scholars" was continued this year, where Corporate & SME Customers in Lahore and Islamabad interacted with the SB members and had their queries on Islamic banking answered.

The Chairman, SB also conducted exclusive awareness sessions for different corporate clients during the year, which provided them a unique chance to have their concerns responded to by subject authority in real time.

In addition to the above, Islamic Banking awareness seminars and programs were conducted by the Shariah team for students, professionals and others at various institutions/platforms across the country, including ZLK Islamic Financial Services, SBP Road Shows in Karachi, Lahore, Islamabad and Qasoor, IBA, IBA CEIF, SBP-BSC, Quaid-e-Azam University, University of Haripur, Crescent Girls High School, Jamia-tul-Kausar (Islamabad), Officers Club of Pakistan Ordinance Factories (Abbottabad), University of Baluchistan, KIPS College (Lahore), Bab-e-Arqam School (Lahore), GM office (Peshawar), village of Sunder Estate (Raiwand, Lahore), etc.

We take pride in our Shariah team being on the forefront for capacity building of the industry, which is indispensable for the eventual transformation of the banking sector of Pakistan. With respect to this, our team represented BankIslami in conducting numerous training sessions for bankers, professionals and students as arranged by NIBAF Pakistan, IBA-CEIF, etc. during the year.

Charity

In accordance with SBP guidelines and Shariah non-compliance Risk Management framework following is the treatment of charity amount:

The Bank credited Rs. 164.11 million to the Charity account during the year; this included amounts received from customers as charity on delays in payments, and income declared as Shariah non-compliant and accordingly set aside for charitable purposes.

It may be pertinent to mention that since the charity funds are kept under remunerative accounts at the Bank, accrued Mudarabah profit thereon of Rs. 6.57 million was also credited to the Charity account.

Disbursement during the year from the Charity fund amounted to Rs. 98.7 million; all charity disbursements were reviewed and approved by the SB from a Shariah standpoint.

Details of collection and disbursement of charity are available in the notes to the annual financial statements.

Recommendations/Suggestions

Based on the observations made during review activities and feedback received from various stakeholders, we recommend the following:

1. Taking note of the knowledge assessment scores and the hiring of distribution staff from conventional banking background, refresher Islamic banking training modules should be enforced.
2. As a means of strengthening Shariah compliance and in line with the Bank's objective of promoting efficient and green banking practices, we recommend that the digital execution of financing transactions, including documentation and approvals at various stages be explored.
3. We recommend regular roll-out of the Madrassah Graduate Training program, for the Bank to benefit from the knowledge of Shariah scholars in more operational areas, along with the providing the scholars a platform to train towards becoming well-rounded professionals. Female madrassah graduates may also be scouted for.
4. We recommend that awareness of the HR policies and Code of Conduct in place is increased among bank-wide staff, through refreshers.
5. We encourage various back-office departments to bring on board Shariah scholars, so that the Bank may benefit from their knowledge in the more critical operational areas.
6. We commend on the continuing trend of training executive management on the mindset of an Islamic banker. The efforts to align the employees' mindset should be extended beyond the executive management level, so that Business side staff receive refreshers on the significance of ensuring Shariah compliance while pursuing their targets.

Conclusion

1. While the Board of Directors and Executive Management are solely responsible to ensure that the operations of BankIslami Pakistan Limited are conducted in a manner that comply with Shariah principles at all times, we are required to submit a report on the overall Shariah compliance environment of the Bank.
2. To form our opinion as expressed in this report, the Shariah Compliance Department of the bank carried out reviews, on test check basis, of each class of transactions, the relevant documentation and process flows. Further, we have also reviewed the reports of the internal Shariah audit and external Shariah audit.
3. Based on the above and according to the best of our knowledge, we are of the view that:
 - i. The Bank has complied with Shariah rules and principles in the light of Fatawa, rulings and guidelines issued by the Shariah Board.
 - ii. The Bank has complied with directives, regulations, instructions and guidelines related to Shariah compliance issued by SBP in accordance with the ruling of SBP's Shariah Board.
 - iii. The Bank has a comprehensive mechanism in place to ensure Shariah compliance in their overall operations.
 - iv. The Bank has a well-defined system in place which is sound enough to ensure that any earnings realized from sources or by means prohibited by Shariah have been credited to charity account and are being properly utilized.
 - v. The Bank has complied with the SBP's instructions on profit and loss distribution and pool management.

- vi. The Shariah Board has been provided adequate resources enabling it to discharge its duties effectively.
- vii. The level of awareness, capacity and sensitization of the staff, management and the Board of Directors in appreciating the importance of Shariah compliance in the products and processes of the Bank is found to be satisfactory. However, the management should continue to take measures to further improve the level of awareness.

We conclude this report with our sincere wishes for the continued success of the Islamic finance industry.



Mufti Javed Ahmad
Resident Shariah Board Member



Mufti Muhammad Husain Khaleel Khail
Member, Shariah Board



Mufti Syed Hussain Ahmed
Member, Shariah Board



Mufti Irshad Ahmad Aijaz
Chairperson, Shariah Board

v. بینک نے اسٹیٹ بینک آف پاکستان کی جاری کردہ نفع و نقصان کی تقسیم اور پول مینجمنٹ سے متعلق ہدایات پر عمل کیا ہے۔

vi. شریعہ بورڈ کو اپنی ذمہ داریاں مؤثر طریقے سے ادا کرنے کے لیے مناسب وسائل فراہم کیے گئے ہیں۔

vii. تعمیلِ شرعی سے متعلق بینک کے عملے، انتظامیہ اور بورڈ آف ڈائریکٹرز میں آگاہی، قابلیت اور حساسیت قابل اطمینان پائی گئی، تاہم، بینک انتظامیہ کو ان میں اضافے کے اقدامات جاری رکھنے چاہئیں۔

ہم اسلامک فائنانس انڈسٹری کی مسلسل کامیابی کے لیے نیک تمناؤں کے ساتھ اس رپورٹ کی تکمیل کرتے ہیں۔



مفتی محمد حسین خلیل خیل

رکن، شریعہ بورڈ



مفتی جاوید احمد

مقیم رکن، شریعہ بورڈ



مفتی ارشاد احمد اعجاز

سربراہ، شریعہ بورڈ



مفتی سید حسین احمد

رکن، شریعہ بورڈ

5. ہم بینک کے مختلف شعبوں (بیک آفس) میں علماء کرام کی شمولیت کی حوصلہ افزائی کرتے ہیں، تاکہ بینک حساس نوعیت کے عملی شعبوں میں ان کے علم سے فائدہ اٹھا سکے۔
6. ہم اسلامی بینکاری سے متعلق اعلیٰ قیادت کی ذہن سازی کے جاری رجحان کو سراہتے ہیں۔ ملازمین کی ذہن سازی کی کوششوں کو اعلیٰ قیادت کی سطح سے آگے بڑھایا جانا چاہیے، تاکہ کاروباری شعبوں کے عملے کو اپنے اہداف کے حصول کے ساتھ ساتھ شریعہ کمپلائنس کے حوالے سے تربیت بھی مل سکے۔

اختتامیہ

1. جہاں بینک اسلامی پاکستان لمیٹڈ کے تمام امور کی انجام دہی مستقل طور پر شرعی اصولوں سے ہم آہنگ ہونے کو یقینی بنانے کی ذمہ داری اعلیٰ انتظامیہ اور بورڈ آف ڈائریکٹرز کی ہے، وہیں ہماری ذمہ داری ہے کہ ہم بینک کے مجموعی تعمیل شرعی کے ماحول پر ایک رپورٹ پیش کریں۔
2. شریعہ کمپلائنس ڈپارٹمنٹ نے تمام تمویلی معاملات کی ہر نوع، بشمول اس سے منسلک طریقہ کار و دستاویزات کا سیمپل کی بنیاد پر جائزہ لیا جس کی بنیاد پر ہم نے اپنی بیان کردہ رائے قائم کی ہے۔ مزید برآں ہم نے اندرونی و بیرونی شرعی آڈٹ کی رپورٹس کا بھی تجزیہ کیا ہے۔
3. مذکورہ بالا نکات اور ہماری معلومات کے مطابق، ہماری رائے ہے کہ:
 - i. بینک نے شریعہ بورڈ کے جاری کردہ فتاویٰ، احکام اور رہنما ہدایات کی روشنی میں شرعی قوانین اور اصولوں پر عمل کیا ہے۔
 - ii. بینک نے اسٹیٹ بینک آف پاکستان کے شریعہ بورڈ کی جاری کردہ شریعہ کمپلائنس سے متعلق ہدایات، قواعد و ضوابط، اور احکامات پر عمل کیا ہے۔
 - iii. بینک کے پاس اپنے مجموعی امور میں تعمیل شرعی کو یقینی بنانے کا ایک جامع نظام موجود ہے۔
 - iv. بینک کے پاس ایک واضح اور مضبوط نظام موجود ہے جو یقینی بناتا ہے کہ شریعت کے مطابق ممنوعہ ذرائع سے حاصل ہونے والی آمدنی کو چیرٹی کھاتے میں منتقل کر دیا جائے اور اس کو درست مصارف میں استعمال کیا جائے۔

چیریٹی

بینک نے سال کے دوران چیریٹی اکاؤنٹ میں 164.11 ملین روپے جمع کیے، اس میں صارفین سے ادائیگیوں میں تاخیر پر بطور چیریٹی وصول ہونے والی رقم، اور وہ آمدنی شامل ہے جسے شریعت کے مطابق نہ ہونے کی بنیاد پر خیراتی مقاصد کے لیے الگ کیا گیا۔

یہ ذکر کرنا مناسب ہوگا کہ چونکہ چیریٹی فنڈ بینک میں نفع بخش کھاتے (Remunerative account) میں رکھا جاتا ہے، اس لیے اس پر حاصل ہونے والا 6.57 ملین روپے کا منافع بھی چیریٹی اکاؤنٹ میں جمع کیا گیا۔ سال کے دوران چیریٹی فنڈ سے تقسیم کی گئی رقم 98.7 ملین روپے رہی، شریعہ بورڈ نے چیریٹی کی تقسیم کا شرعی نقطہ نظر سے جائزہ لیا اور منظوری دی۔

چیریٹی کی وصولی اور تقسیم کی تفصیلات سالانہ مالیاتی رپورٹ کے نوٹس میں دستیاب ہیں۔

سفارشات/تجاویز

جائزہ سرگرمیوں کے دوران کیے گئے مشاہدات اور بینک کے دیگر متعلقہ افراد سے موصول ہونے والی آراء کی بنیاد پر، ہم درج ذیل تجاویز پیش کرتے ہیں:

1. اسلامی بینکاری معلومات کی جانچ پرکھ کے نتائج اور روایتی بینکاری پس منظر رکھنے والے عملے کی تقرری کو پیش نظر رکھتے ہوئے، اسلامی بینکاری کی تربیت کے Refresher Modules کا نفاذ کیا جانا چاہیے۔

2. شریعہ کمپلائنس کو مضبوط بنانے کے ساتھ ساتھ بینک کے مؤثر بینکنگ اور گرین بینکنگ کو فروغ دینے کے مقصد کے تحت، ہم تجویز کرتے ہیں کہ مالیاتی معاملات کے ڈیجیٹل نفاذ، بشمول دستاویزات اور مختلف مراحل پر منظوریوں کے طریقے تلاش کیے جائیں۔

3. ہم «مدرسہ گریجویٹ ٹریننگ پروگرام» کو باقاعدگی سے جاری رکھنے کی تجویز دیتے ہیں، تاکہ بینک زیادہ سے زیادہ عملی شعبوں میں علماء کرام سے استفادہ کر سکے، اور ساتھ ہی ان کو ایک ایسا پلیٹ فارم مہیا کیا جاسکے جہاں وہ تربیت حاصل کر کے جامع پیشہ ور بن سکیں۔ اس مقصد کے لیے خواتین مدرسہ گریجویٹس کو بھی زیر غور لایا جاسکتا ہے۔

4. موجودہ Human Resource پالیسیوں اور ضابطہ اخلاق کے حوالے سے بینک کے تمام عملے کی آگہی میں اضافہ کیا جائے۔

سربراہ شریعہ بورڈ کی جانب سے «پائیدار ترقی کے اہداف (Sustainable Development Goals) اور اسلامی تعلیمات» پر ایک آگاہی نشست منعقد کی گئی۔

اسلامی بینکاری سے متعلق آگہی کے اقدامات

بینک کے مشن «انسانیت کو سود سے بچانے» کو جاری رکھتے ہوئے، سال کے دوران آگہی کے حوالے سے متعدد اقدامات کیے گئے۔

شریعہ کمپلائنس ڈپارٹمنٹ نے 'Connect with Mufti' کے اجراء اور اسے چلانے میں معاونت کی، جو پاکستان میں واٹس ایپ بینکنگ سروس میں شامل اپنی نوعیت کا پہلا فیچر ہے۔ اس کے ذریعے صارفین براہ راست مستند مقتیان کرام سے براہ راست اسلامی بینکاری سے متعلق معلومات حاصل کر سکتے ہیں۔

صارفین کی آگہی کے حوالے سے نشستیں بنام «Mukaalma with Shariah Scholars» اس سال بھی جاری رہی، جہاں لاہور اور اسلام آباد میں کارپوریٹ اور چھوٹے کاروباری صارفین نے شریعہ بورڈ کے اراکین کے ساتھ تبادلہ خیال کیا اور اسلامی بینکاری سے متعلق اپنے سوالات کے جوابات حاصل کیے۔

سربراہ شریعہ بورڈ نے بھی سال کے دوران مختلف کارپوریٹ صارفین کے لیے خصوصی آگہی نشستیں منعقد کیں، جس نے انہیں یہ منفرد موقع فراہم کیا کہ وہ اپنے سوالات کا جواب براہ راست ماہر فن سے حاصل کر سکیں۔

مذکورہ بالا سرگرمیوں کے علاوہ، شریعہ ٹیم کی جانب سے ملک بھر کے مختلف اداروں میں طلباء، پیشہ ور افراد اور دیگر افراد کے لیے اسلامی بینکاری سے متعلق آگہی سیمینار اور پروگرام منعقد کیے گئے، جن میں ZLK اسلامک فنانشل سروسز، کراچی، لاہور، اسلام آباد اور قصور میں SBP روڈ شو کا انعقاد، SBP-BSC، IBA، IBA CEIF، قائد اعظم یونیورسٹی، یونیورسٹی آف ہری پور، کریسنٹ گرلز ہائی اسکول، جامعۃ الکوثر (اسلام آباد)، آفیسرز کلب آف پاکستان آرڈیننس فیکلٹی (ایبٹ آباد)، یونیورسٹی آف بلوچستان، KIPS کالج (لاہور)، باب ارقم اسکول (لاہور)، جی ایم آفس (پشاور)، سندر اسٹیٹ گاؤں (لاہور) وغیرہ شامل ہیں۔

ہمیں فخر ہے کہ ہماری شریعہ ٹیم انڈسٹری کی افراد سازی (Capacity building) میں پیش پیش ہے، جو پاکستان کے بینکنگ سیکٹر کی حتمی منتقلی (Transformation) کے لیے ناگزیر ہے۔ اس حوالے سے، ہماری ٹیم نے سال کے دوران NIBAF پاکستان، IBA-CEIF وغیرہ کے زیر اہتمام بینکرز، پیشہ ور افراد اور طلباء کے لیے متعدد تربیتی سیشنز منعقد کرنے میں بینک اسلامی کی نمائندگی کی۔

ٹیم نے بینکنگ سیکٹر کی اسلامی بینکاری کی جانب منتقلی (transformation) کے لیے اسٹیٹ بینک آف پاکستان کی جانب سے تشکیل دیئے گئے مختلف ورکنگ گروپس کی مشاورت اور سرگرمیوں میں بھی حصہ لینے کا سلسلہ جاری رکھا۔

تعلیم و تربیت

سال بھر مختلف شہروں میں اسلامی بینکاری کے بنیادی تصورات پر تربیتی نشستیں (کلاس روم اور آن لائن) منعقد کی گئیں، جن میں 4,500 سے زائد عملے نے شرکت کی۔ ان نشستوں میں عملے کے مختلف افراد کی خصوصی تربیت بھی شامل تھی، جو ان کے کاموں سے متعلق عدم شریعہ کمپلائنس کے خطرات (SNCR) سے نمٹنے کے لیے ترتیب دی گئی تھی۔

تربیتی پروگرام «سرٹیفائیڈ اسلامک ریٹیل بینکر (CIRB)» اور «سرٹیفائیڈ اسلامک کارپوریٹ بینکر (CICB)» کے انٹر میڈیٹ لیول کی 14 نشستیں بھی اسٹاف کے لیے منعقد کی گئیں۔ ان پروگراموں کا مقصد شرکاء کو صارفین کے سوالات کو حل کرنے اور انہیں بہترین موزوں تمویلی مصنوعات پیش کرنے کے لیے مصنوعات کی مناسب معلومات فراہم کرنا ہے، اور مالی معاملات کے نفاذ کے دوران شریعہ کمپلائنس کو یقینی بنانا ہے۔

تمام متعلقہ افراد کے درمیان اسلامی بینکاری آگاہی کے مزید بڑھانے کی کوشش میں، تھرڈ پارٹی اسٹاف اور 'ایک' (AIK) کے ڈیجیٹل فیلڈ آفیسرز کے لیے خصوصی اسلامی بینکاری کے نشستوں کا بھی اہتمام کیا گیا۔

منفرد آگاہی سیریز «مکالمہ» اس سال بھی جاری رہی، جس کی نشستیں لاہور اور اسلام آباد میں بینک کی اعلیٰ قیادت کے لیے منعقد کی گئیں۔ متعلقہ انتظامیہ کے افراد نے مجلس امور شریعہ کے اراکین کے ساتھ بالمشافہ سوال و جواب کی نشست میں شرکت کی، جس میں اسلامی بینکاری کے فلسفے، مصنوعات اور ان کے اطلاق پر تبادلہ خیال کیا گیا۔ مزید برآں، بینک میں اسلامی بینکاری سے متعلق ذہن سازی کو فروغ دینے کے لیے، اس سال بینک کی اعلیٰ قیادت کے لیے «Cultivating Barakah Culture for Sustainable Success in Islamic Banking» کے موضوع پر ایک سیشن بھی منعقد کیا گیا۔

سال کے دوران، مانیٹری پالیسی، مصنوعی ذہانت کی آگہی و حکمت عملی، ہنٹی منی لانڈرنگ وغیرہ جیسے موضوعات پر مختلف کانفرنسوں اور تربیتی نشستوں میں شریعہ بورڈ کے اراکین کی شرکت کو یقینی بنایا گیا، جس سے انہیں اسلامی بینکاری اور مالیات میں ہونے والی پیش رفت سے آگاہی حاصل ہوئی۔ مزید برآں، بینک کے بورڈ آف ڈائریکٹرز کے لیے

- پاکستان کی پہلی سونے (Gold) کی بنیاد پر اسلامی فنانسنگ پروڈکٹ جو 2025ء میں متعارف کی گئی
- بینک اسلامی کڈز اکاؤنٹ
- بینک اسلامی ہم سفر پروڈکٹ (برائے حج و عمرہ)

مزید برآں، شریعہ کمپلائنس ڈپارٹمنٹ نے بینک کی مارکیٹنگ سرگرمیوں کا جائزہ لینے اور منظوری دینے میں شریعہ بورڈ کی معاونت کی، جن میں اشتہارات، سوشل میڈیا کے لیے مواد، اسپانسرشپ، اشتراکات (Alliances) وغیرہ شامل ہیں۔

برانچ بینکنگ، صارفین اور عام عوام کے لیے اسلامی بینکاری کا چہرہ ہے۔ اس بات کو یقینی بنانے کے لیے کہ فرنٹ لائن عملہ ضروری شرعی علم کے ساتھ برانچ کی سطح پر شریعہ کمپلائنس کو بھی برقرار رکھتا ہے، شریعہ کمپلائنس ڈپارٹمنٹ نے سال کے دوران ملک بھر کی 199 برانچوں کا شرعی جائزہ لیا اور عملے کی شرعی معلومات کی جانچ پرکھ کی۔ اس سلسلے میں نگرانی اور نفاذ کے لیے سروس کوالٹی کے شعبے کی معاونت بھی جاری رہی۔

داخلی اور خارجی شریعہ آڈٹ کی سرگرمیوں اور متعدد رپورٹس بشمول شریعہ کمپلائنس ڈپارٹمنٹ کی رپورٹس، داخلی و خارجی شرعی آڈٹ رپورٹس اور اسٹیٹ بینک کی انسپشن رپورٹس، کی روشنی میں شریعہ بورڈ کی جانب سے اصلاحی اقدامات کی تعیین کے ذریعے بینک کے اندر شریعہ کمپلائنس کو مضبوط رکھا گیا۔

سال کے دوران کیے گئے مشترکہ تمویل کے معاملات (Syndicate Transactions) میں شریعہ ٹیم نے ان کی اسٹرکچرنگ، نظرثانی اور منظوری کے مراحل میں معاونت کی، جن میں کچھ قابل ذکر ٹرانزیکشنز جیسے پاکستان کا پہلا گرین صکوک (GoP Sukuk)، پاکستان کا پہلا زرعی انفراسٹرکچر صکوک، ایوارڈ یافتہ Sunridge ایگری انفراسٹرکچر صکوک اور سینٹرل پاور پریچیزنگ ایجنسی (CPPA-G) کی سٹڈیکٹ ٹرانزیکشن وغیرہ شامل ہیں۔

وزارت خزانہ کے جوائنٹ فنانشل ایڈوائزر (JFA) کے طور پر بینک اسلامی کے اہم کردار کے تسلسل میں، شریعہ کمپلائنس ڈپارٹمنٹ نے دیگر JFAs، وزارت خزانہ اور اسٹیٹ بینک آف پاکستان (SBP) کے ساتھ مل کر شریعہ بورڈ کی مشاورت سے جدید صکوک اسٹرکچر تیار کیے۔ ٹیم نے وزارت خزانہ کو مختلف اقدامات کی تجاویز کو عملی جامہ پہنانے اور ان پر شریعہ بورڈ کی منظوری حاصل کرنے میں سہولت فراہم کی، جن میں ہائبرڈ صکوک (اجارہ اور کموڈٹی مریج) اور Bursa Suq Al-Sila، پلیٹ فارم کے لیے ٹرانزیکشن اسٹرکچر، گورنمنٹ اجارہ صکوک پر حکومت پاکستان کے ساتھ بیع مؤجل، پاکستان اسٹاک ایکسچینج پر پہلی بار بیع مؤجل کی نیلامی وغیرہ شامل ہیں۔

شرعی معیارات کی بالادستی کو برقرار رکھنا اس سال بھی بنیادی توجہ کا مرکز رہی، جسے شریعہ کمپلائنس ڈپارٹمنٹ نے بینک کی مختلف سرگرمیوں کے ضروری داخلی کنٹرولز (Internal Controls) کو وضع کرنے، نافذ کرنے اور ان کی مسلسل نگرانی اور جانچ کے ذریعے حاصل کیا۔ سال بھر ٹیم نے جامع جائزے کیے، کلیدی کاموں کو سہل کیا، اور ضرورت کے مطابق شریعہ بورڈ کی نگرانی میں رہنما ہدایات جاری کیں۔

ٹیم نے اہم دستاویزات اور معاملات کا جائزہ لیا، جن میں صارف کی تفصیلات پر مشتمل دستاویز (Transaction Facts Sheet)، بینک گارنٹی، قانونی معاہدے، ری اسٹرکچرنگ اور حتمی ادائیگیاں وغیرہ شامل ہیں۔ اس سلسلے میں سال کے دوران 3,800 سے زائد منظوریوں دی گئیں۔ جائزہ کی سرگرمیوں میں ویڈیو کانفرنسنگ اور براہ راست معائنہ بھی شامل تھے تاکہ مالیاتی معاملات کے نفاذ کے مختلف مراحل بشمول تجارتی مال کی موجودگی اور اس پر قبضہ وغیرہ کی نگرانی کی جاسکے۔ مزید برآں، ٹیم نے بینک کے مختلف افعال اور سرگرمیوں کا بعد از نفاذ بھی جائزہ لیا تاکہ تعمیل شرعی کو یقینی بنایا جاسکے۔

ریگولیٹری تقاضوں کی تعمیل میں، شریعہ کمپلائنس ڈپارٹمنٹ نے پول مینجمنٹ کے عمل کا باقاعدگی سے جائزہ لیا، جس میں اسلامی بینکوں پر اپنے ڈپازٹرز کو منافع کی تقسیم سے متعلق لاگو قواعد کی روشنی میں نفع کے قبل از تقسیم جائزے (Pre-disbursement reviews) بھی شامل ہیں۔

بیرونی مشاورتی خدمات کے ذریعے بینک کی سطح پر پالیسی، فریم ورک اور ان کے نفاذ کی دستاویزات کے جائزہ اور تجدید کا پروجیکٹ کیا گیا، جس میں شریعہ کمپلائنس ڈپارٹمنٹ نے تمام دستاویزات کا شرعی جائزہ لے کر معاونت فراہم کی۔ ٹیم نے بینک میں جاری Core Banking Transformation پروجیکٹ کے مختلف مراحل میں شرکت کی، تاکہ نئے سسٹم میں شرعی کنٹرولز کے مؤثر طریقے وضع کیے جانے کو یقینی بنایا جاسکے۔

مصنوعات کی تجدید اور تنوع میں شریعہ کمپلائنس ڈپارٹمنٹ نے Shariah Structures کو حتمی شکل دینے اور متعلقہ دستور عمل، پالیسیوں، طریقہ کار اور دستاویزات کا جائزہ لینے کے ذریعے معاونت کی تاکہ ممکنہ شرعی عدم تعمیل کے خطرات کی پہلے سے شناخت اور ازالہ کیا جاسکے، اور جہاں ضرورت ہو ریگولیٹری منظوریوں حاصل کی جاسکیں۔ ان میں درج ذیل اقدامات بھی شامل ہیں:

- ”ایک (Aik) ڈیجیٹل موبائل ایپ» کا اجراء اور اس کے ذریعے پیش کی جانے والی تمام مصنوعات/خدمات
- سال کے دوران متعارف کروائی گئی ڈیجیٹل سپلائی چین فنانسنگ

شریعی بورڈ رپورٹ 2025ء

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الْحَمْدُ لِلَّهِ رَبِّ الْعَالَمِينَ، وَالصَّلَاةُ وَالسَّلَامُ عَلَى مُحَمَّدٍ وَآلِهِ وَصَحْبِهِ أَجْمَعِينَ، وَمَنْ تَبِعَهُمْ
بِإِحْسَانٍ إِلَى يَوْمِ الدِّينِ، أَمَّا بَعْدُ!

تمام حمد و ثناء اللہ رب العزت کے لیے، جس کے فضل و کرم سے بینک اسلامی نے سال 2025ء بہترین کارکردگی کے تسلسل کے ساتھ مکمل کیا۔ یہ تبدیلی کا سال ڈیجیٹلائزیشن کے ذریعے غیر سودی بینکاری کے افق کو اسٹریٹجک وسعت دینے کے حوالے سے نمایاں رہا، جہاں بینک نے اپنی خدمات اور رسائی کو بہتر بنانے کے لیے جدید ترین ڈیجیٹل پلیٹ فارمز کے استعمال میں پیش قدمی کی۔

شریعی بورڈ 31 دسمبر 2025ء کو اختتام پذیر ہونے والے سال کے لیے بینک اسلامی کے امور پر اپنی سالانہ رپورٹ پیش کرتی ہے۔

شریعی بورڈ نے مختلف معاملات کے شرعی جائزے اور منظوری کے لیے سال بھر میں چار سہ ماہی اجلاس منعقد کیے جن میں مصنوعات اور خدمات میں جدت، نئے تصورات، مالیاتی معاملات اور ان سے متعلقہ شرعی امور شامل ہیں۔ شریعی بورڈ نے سال کے دوران بورڈ آف ڈائریکٹرز کے ساتھ بھی دو نشستیں منعقد کیں تاکہ انہیں مجموعی طور پر شریعی کمپلائنس کے ماحول اور متعلقہ امور میں ہونے والی پیش رفت سے آگاہ کیا جاسکے۔

شریعی بورڈ بینک کے شریعی کمپلائنس کے ماحول کو برقرار رکھنے اور مزید بہتر بنانے کے عزم پر بورڈ آف ڈائریکٹرز کو خراج تحسین پیش کرتی ہے۔

شریعی کمپلائنس

شریعی بورڈ، شریعی کمپلائنس ڈپارٹمنٹ کے اپنے کردار کو موثر طریقے سے ادا کرنے میں تعاون کرنے پر بینک کی انتظامیہ کی حوصلہ افزائی کرتی ہے۔ شریعی کمپلائنس ڈپارٹمنٹ کو ریگولیٹر کی جانب سے یہ ذمہ داری سونپی گئی ہے کہ وہ تمام آپریشنل شعبوں کے لیے شریعی کمپلائنس کا ایک جامع فریم ورک تیار کرنے اور برقرار رکھنے میں شریعی بورڈ کی معاونت کرے، لہذا بینک کی سرگرمیوں کے شرعی اصولوں کے مطابق ہونے کی یقین دہائی کرنے کے لیے، شریعی کمپلائنس ڈپارٹمنٹ، شریعی بورڈ اور بینک کی انتظامیہ کے درمیان ایک رابطے کا کردار ادا کرتا ہے۔

شریعی کمپلائنس ڈپارٹمنٹ سال بھر شریعی بورڈ کے ساتھ رابطے میں رہا۔ ان کی رہنمائی، آراء اور فیصلے حاصل کیے، اور بینک کے مختلف کاروباری شعبوں کو بروقت تجاویز، مشورے اور حل فراہم کیے۔

DISCLOSURE ON REMUNERATION POLICY OF THE BANK

Remuneration Policy of the Bank is developed in line with the guidelines issued by the State Bank of Pakistan. The Remuneration Policy of Bank intends to inculcate a culture of “pay for performance” by rewarding merit. The review of this policy shall fall under the ambit of the Board Human Resource & Remuneration Committee (BHR&RC) and shall be reviewed at least once in three (3) years. During the implementation phase, Internal Audit department shall also periodically watch over for effective remuneration setting mechanism.

Performance of employees is measured in the appraisal cycle and reflected through ratings derived from various relevant scorecards briefed as follows, which also include key risk elements:

- Business (Targets, Branch Scorecards etc.)
- Operations (KPI's for operational activities)
- Support staff (Measurable Objectives)

For MRTs and MRCs, balanced scorecards is based on key performance indicators and key risk indicators, some of which are listed below:

- Non-Performing Loans/Financing
- Risk Ratings
- Non-Compliance (Shariah, Legal & Regulatory)
- Breach of Organizational Discipline
- Breach of Credit Limits
- Breach of Interbank Limits
- Occurrence of Operational Risk

An effective monitoring mechanism with proper MIS record of performance and risk of MRTs and MRCs has been developed

Payment of bonus is not considered as employees' right, rather it is based on the Board approval considering the overall Bank's profitability against the targets set out by the Board. The bonus shall be paid to Bank's permanent and contractual employees and not only to Material Risk Takers (who shall be entitled to at least 5% variable component) and Material Risk Controllers (whose variable component shall not exceed their fixed pay). Variable component shall be paid on the basis of deferral over 3 years and may be held or stopped in case any performance or risk factor, as has been defined, occurs. The deferred bonus pool will be remunerative and to be managed within the Bank.

Performance of the non-executive directors shall be presented to the shareholders with their approved remuneration.

The Bank respects and as a result implements the minimum wage as per the law of the land. The Bank shall operate at reasonable pay-gaps whereby difference between average salaries within same level shall not exceed 100%.

The following criteria is being followed for identification of MRTs and MRCs:

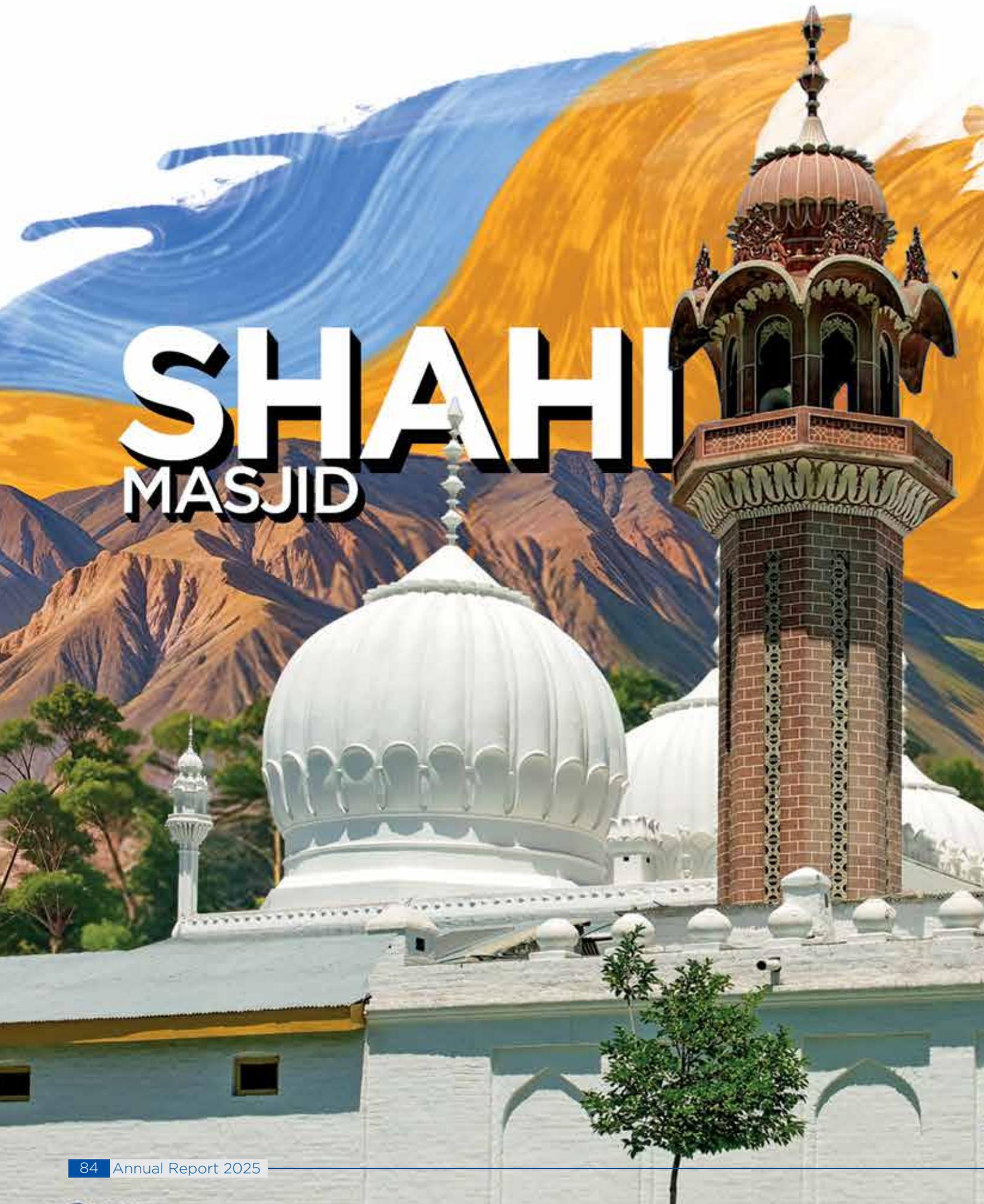
- President/CEO or any other equivalent positions.
- Direct reportees (Key Executives) of President/CEO or the BOD.
- Members of Management Credit Committee and Asset Liability Committee.
- Business Heads managing aggregate assets of more than Rs. 1 billion in their respective products/segments.
- Approvers of credit proposals of more than Rs. 250 million.
- Dealers having the authority to take positions of more than Rs. 3,000 million.
- Any other position added by BHR&RC on the basis of risk profile of such position.

Following is gender pay gap statement under SECP Circular 10 of 2024

(i) Mean Gender Pay Gap is 42%

(ii) Median Gender Pay Gap is 13%

SHAHI MASJID





Shahi Masjid

The Shahi Masjid in Chitral represents elegance and devotion.

Constructed without cement or lead, it showcases the remarkable skill and ingenuity of local artisans. Its majestic white façade and delicate engravings reflect Chitral's proud heritage, making it both a spiritual sanctuary and an architectural treasure.

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATION, 2019

For The Year Ended December 31, 2025

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“Code” or “Regulations”) issued by the Securities and Exchange Commission of Pakistan (“the Commission”), for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Bank has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight (8) as per the following:
 - a. Male: seven (7) including the President & Chief Executive Officer
 - b. Female: One (1)*
2. The composition of the Board is as follows:
 - i. Independent Directors
 1. Mr. Akhtar Abbas
 2. Mr. Haider Ali Hilaly
 3. Mr. Sulaiman Sadruddin Mehdi
 - ii. Non-Executive Directors
 1. Mr. Suleman Lalani
 2. Mr. Kalim Ur Rahman
 - iii. Executive Directors
 1. Mr. Rizwan Ata, President & Chief Executive Officer
 2. Mr. Syed Ali Hasham
 - iv. Female Director

*The position of a female, Independent Director became vacant following the demise of Dr. Shamshad Akhtar on December 27, 2025. The casual vacancy will be filled in accordance with the regulatory requirements.
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 of the Board 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 have a formal policy and transparent procedures for remuneration of directors in accordance with the SBP's Corporate Governance Regulatory Framework, the Act and the Regulations.
9. All the directors including President & Chief Executive Officer have already attained Directors Training Program certification.
10. During the year, the Board has approved appointment of Head of Internal Audit, Company Secretary (acting) and Chief Financial Officer (acting) including their remuneration and terms and conditions of employment and has complied with relevant requirements of the regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following committees comprising of members given below:

Board Audit Committee	<p>Chairperson</p> <p>Mr. Haider Ali Hilaly</p> <p>Members**</p> <p>Mr. Sulaiman Sadruddin Mehdi</p> <p>Mr. Kalim Ur Rahman</p>
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Board Human Resources & Remuneration Committee	<p>Chairperson</p> <p>Mr. Akhtar Abbas</p> <p>Members</p> <p>Mr. Suleman Lalani</p> <p>Mr. Sulaiman Sadruddin Mehdi</p> <p>Mr. Kalim Ur Rahman</p>
Board Risk Management Committee	<p>Chairperson**</p> <p>Members</p> <p>Mr. Sulaiman Sadruddin Mehdi</p> <p>Mr. Kalim Ur Rahman</p> <p>Mr. Rizwan Ata, President & CEO</p>

** The positions of Chairperson, Board Risk Management Committee and Member, Board Audit Committee, became vacant following the demise of Dr. Shamshad Akhtar (an Independent Director) on December 27, 2025. The casual vacancy will be filled in accordance with the regulatory requirements.

Board Information Technology (IT) Committee	<p>Chairperson</p> <p>Mr. Haider Ali Hilaly</p> <p>Members</p> <p>Mr. Suleman Lalani</p> <p>Mr. Akhtar Abbas</p> <p>Mr. Rizwan Ata, President & CEO</p>
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13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half-yearly/yearly) of the committees were as per following:

Board Audit Committee	Quarterly
Board Human Resources & Remuneration Committee	Half Yearly
Board Information Technology Committee	Quarterly
Board Risk Management Committee	Quarterly

15. The Board has set up an effective internal audit function with team who 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 the 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, the 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.



Rizwan Ata
President & Chief Executive Officer



Suleman Lalani
Chairman

Date: February 18, 2026

Place: Karachi



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BankIslami Pakistan 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 **BankIslami Pakistan Limited** ("the Bank") for the year ended 31 December 2025 in accordance with the requirements of Regulation No. 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries about 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.

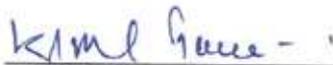
The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, of its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2025.

Date: 04 March 2026

Karachi

UDIN: CR2025101061brf72iUC


KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF INTERNAL CONTROL

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The Management of the Bank is responsible to establish and maintain an adequate and effective system of internal controls with the main objective of ensuring effectiveness and efficiency of operations, reliability of financial reporting, safeguarding of assets and compliance with applicable laws and regulations.

Management Evaluation of Effectiveness of the Bank's Internal Control System

Concerted and integrated efforts are made by each function of the Bank to improve the Control Environment at all levels through continuous reviewing and streamlining of procedures to prevent and rectify control deficiencies. Each department/function, under the supervision of the senior executive management, is entrusted with the responsibility to oversee rectification of control deficiencies identified by internal audit, external auditors and regulators. The control activities are being closely monitored through risk management and compliance functions being the second line of defense, ensuring adherence to regulatory requirements and the Bank's internal policies and procedures. The Shariah compliance unit is responsible to monitor and mitigate risks emanating from Shariah non-compliances. Based on the observations and weaknesses identified by control functions, internal audit and external auditors, management is continuously introducing improvements in internal control system to ensure elimination of such weaknesses to the maximum possible extent.

As a continuous process, the Bank formulates/update and review several key policies and procedures for its various lines of businesses. While formulating such policies clear lines of authority and responsibility have been established in order to ascertain accountability and maintain an effective internal control system.

The scope of Internal Audit department, independent from the line management, includes assessment of the adequacy and effectiveness of the internal control system across the Bank, and ensure compliance with prescribed policies and procedures. All significant findings of Internal Audit assessments are periodically reported to the Board Audit Committee.

The Bank's internal control system is designed to mitigate, rather than to eliminate the risk of failure to achieve the business objectives, and can only provide reasonable but not absolute assurance against material misstatements or losses. Moreover, projection of current evaluations with respect to its effectiveness for future periods is subject to a limitation that controls may become inadequate due to changes in control environment. However, it is an ongoing process that includes identification, evaluation and mitigation of significant risks faced by the Bank.

The Bank implemented the Internal Control Guidelines issued by State Bank of Pakistan (SBP) vide BSD Circular No. 07, of 2004 and had conducted a detailed exercise documenting and benchmarking existing internal processes and controls relating to financial reporting. These process and controls are reviewed and updated periodically.

Alhamdulillah, the Bank had successfully completed all stages of its ICFR program in accordance with the Road Map under SBP OSED Circular No. 01, dated February 07, 2014. However, this is a continuous exercise whereby all new controls are documented and tested periodically to ensure their existence and effectiveness.

Considering the substantial remediation of gaps identified in the afore-mentioned exercise, SBP granted exemption for independent statutory assessment of Bank's ICFR program. Accordingly, now the Bank's Internal Audit Department annually assesses the efficacy of the ICFR and presents its report to the Board Audit Committee for review.

Based on the results of the ongoing evaluation of internal controls carried out during the year, the Management considers that in general, the Bank's existing internal control system is adequately designed, operating effectively, and monitored consistently. Nevertheless, the management continuously endeavors to further strengthen the internal control system of the Bank for an improved control environment.

The Board of Directors duly endorses above management's evaluation of the internal control system.

For and On Behalf of the Board



Rizwan Ata

President & CEO

Date: February 18, 2026

Place: Karachi

SIX YEARS' FINANCIAL AND NON-FINANCIAL SUMMARIES

Rs. in Million

	2025	2024	2023	2022	2021	2020
Profit and Loss Account						
Profit / return earned	74,235	112,801	92,756	46,345	23,235	25,744
Profit / return expensed	38,584	66,414	52,573	25,943	12,303	13,255
Net Spread earned	35,651	46,387	40,184	20,402	10,932	12,489
Fee, commission, brokerage & exchange Income	3,426	2,312	1,817	1,459	1,227	900
Dividend and capital gains	5,708	2,108	1,254	1,456	798	625
Other Income	381	171	240	684	94	111
Total Other Income	9,515	4,591	3,311	3,599	2,119	1,635
Total Income	45,166	50,977	43,494	24,001	13,052	14,124
Operating Expenses	31,834	22,714	16,579	11,961	9,623	8,764
Profit / (loss) before tax and provisions	13,332	28,263	26,915	12,041	3,429	5,360
Provisions / (Reversal)	(632)	2,734	6,391	3,812	32	2,601
Profit before tax	13,964	25,530	20,523	8,228	3,397	2,759
Profit after tax	6,003	11,834	11,045	4,440	2,131	1,703

Statement of Financial Position

Paid up capital - net	11,008	11,008	11,008	11,008	11,008	11,008
Reserves	8,367	7,167	4,800	2,591	1,703	1,527
Unappropriated profit	24,923	22,738	15,996	10,083	6,336	4,330
Shareholders' equity	44,298	40,913	31,804	23,682	19,047	16,865
Surplus on revaluation of assets-net of tax	4,316	7,396	4,662	2,768	3,464	3,031
Net Assets	48,614	48,309	36,466	26,450	22,511	19,895
Total Assets	771,343	737,834	654,866	487,239	408,390	336,297
Earning Assets	634,705	646,311	562,154	406,994	344,652	279,351
Gross Financings	322,205	327,185	254,035	220,341	196,378	145,338
Financings-net of provisions	291,751	296,018	230,194	201,328	181,176	130,162
Non-performing Loans (NPLs)	21,985	24,267	22,891	19,873	17,077	17,529
Investments - net	322,887	345,052	314,084	179,741	124,838	95,240
Total Liabilities	722,729	689,525	618,400	460,789	385,879	316,402
Deposits & other accounts	660,183	559,178	522,541	415,912	344,788	283,641
Current & Saving Deposits (CASA)	470,305	367,339	324,951	278,211	180,768	137,799
Borrowing	14,613	87,662	60,659	21,052	21,193	16,128
Cost bearing Liabilities	399,453	442,275	404,111	280,239	209,132	173,397
Contingencies and commitments	237,966	496,160	164,368	103,802	39,805	22,001

Per Branch

Deposits	1,160	1,036	1,188	1,095	1,014	827
CASA	827	680	739	732	532	402
Gross Advances	566	606	577	580	578	424

Other Non-Financial Information

No. of Branches	Absolute	569	540	440	380	340	343
Total No. of Employees	Absolute	8,168	7,317	5,891	4,562	4,046	3,437



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Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of BankIslami Pakistan Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **BankIslami Pakistan Limited** (the Bank), which comprise the unconsolidated statement of financial position as at 31 December 2025, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and unconsolidated cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for 53 branches which have been audited by us and notes to the financial statements, including a summary of material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flow for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Valuation of Islamic financing, related assets and advances and off-balance sheet exposure</p> <p>(Refer Note 12.16, 17.3 and 23.1 to the unconsolidated financial statements)</p>	
	<p>As at 31 December 2025 the Bank's Credit loss allowance against Islamic financing, related assets and advances including profit / return accrued and off-balance sheet exposure are amounting to Rs. 25,037.45 million and Rs. 260.39 million respectively.</p> <p>The Bank recognizes estimation of expected credit losses ("ECL") in accordance with the application instruction issued by SBP on Islamic financing, related assets and advances and off balance sheet exposure. The estimation of ECL on Islamic financing, related assets and advances including off balance sheet exposure, involves judgement and complexity.</p> <p>The key areas which are subject to management judgement in the estimation of ECL are:</p> <ul style="list-style-type: none"> • Model estimations – judgmental modelling and assumption are used to estimate ECL which involves determining Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"). Respective model assumption is a key driver of complexity and uncertainty and are required in the application of these model for calculation of the ECL estimate. 	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • Performing risk assessment procedures over the credit loss allowance against Islamic financing, related assets and advances and off-balance sheet exposure within the Bank's unconsolidated financial statement. As part of these risk assessment procedures, identifying the portfolios associated with a risk of material misstatement including those arising from judgements over the estimation of ECL either due to inputs, methods or assumptions. • Assessing the design, implementation and operating effectiveness of key controls established by the Bank over measurement of ECL and provision calculated as per PR; • We involved in-house specialist who assisted in the following: <ul style="list-style-type: none"> - Evaluating the Bank's impairment methodologies for compliance with application instructions issued by SBP for IFRS 9; - Assessing the reasonableness of the Bank's methodology and models for determining the economic scenarios used and the probability weightings applied to them by independently validating and challenging the



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S. No.	Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • Economic scenarios – IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Management's judgement is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. • Qualitative criteria – the criteria selected to identify SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios. <p>In line with the applications instructions on IFRS 9, the Bank must compare the ECL for Stage 3 Islamic financing, related assets and advances with the provision determined under the Prudential Regulations "PR" issued by the SBP. The PR requires specific provisioning against the Islamic financing, related assets and advances on the basis of time-based criteria which should be supplemented by a subjective evaluation of the Bank's credit portfolio. The determination of provision against Islamic financing, related assets and advances, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank.</p>	<p>assumptions, methodologies, and outputs of the models;</p> <ul style="list-style-type: none"> - Assessing the reasonableness of macro-economic variable and economic forecasts by comparing these to external sourced data extracted; and - Performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. <ul style="list-style-type: none"> • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents; • Performing sensitivity analysis on the key assumption, that is probability weighted economic scenarios, to assess reasonableness and the risk of biasness by changing weights assigned to each economic scenario; • In accordance with the PR, we sampled at least sixty percent of the total Islamic financing, related assets and advances portfolio and performed credit review through the following substantive procedures: <ul style="list-style-type: none"> - verifying repayments of Islamic financing, related assets and advances/ profit installments and checked that non-performing Islamic financing, related assets and advances have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers,



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S. No.	Key Audit Matter	How the matter was addressed in our audit
	<p>Because of the high degree of estimation uncertainty and judgement involved in the calculation of ECL, we considered valuation of Islamic financing, related assets and advances as a key audit matter.</p>	<p>formed a judgement as to whether classification of these accounts as performing was appropriate;</p> <ul style="list-style-type: none"> - Assessing the accuracy of specific provision made against non-performing Islamic financing, related assets and advances in accordance with the criteria prescribed under the PR by performing recalculation; • Assessing the appropriateness of SICR criteria applied by the Bank by ensuring that the SICR criteria and staging methodology are consistent with the application instructions; • Assessing the higher of Expected Credit Loss (ECL) and provision as per Prudential Regulations (PR) to ensure appropriate recognition for stage 3 loans; and • Evaluating the adequacy of the disclosures, including disclosures of key assumptions, judgements and sensitivities in the unconsolidated financial statements.

Information other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the Review Report by the Chairman and Directors' Report but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's reports thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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



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material misstatement of the 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.



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- 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/branches 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, unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance,



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1962 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

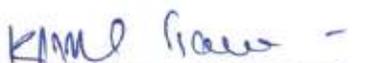
- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank / branches and the transactions of the Bank / branches which have come to our notice have been within the powers of the Bank / branches; and
 - d) zakat deductible 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 percent of the total Islamic financing, related assets and advances of the Bank.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 04 March 2026

Karachi

UDIN: AR2025101062LePibQja


KPMG Taseer Hadi & Co.
Chartered Accountants

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BankIslami

Unconsolidated Statement of Financial Position

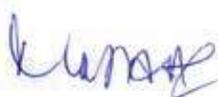
As At December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	8	71,821,007	41,093,952
Balances with other banks	9	1,067,562	982,664
Due from financial institutions	10	18,999,952	4,257,928
Investments	11	322,887,104	345,051,553
Islamic financing, related assets and advances	12	291,750,609	296,097,250
Property and equipment	13	25,405,457	15,102,917
Right-of-use assets	14	5,655,325	4,314,535
Intangible assets	15	4,694,747	4,050,161
Deferred tax assets	16	4,404,883	-
Other assets	17	24,656,232	26,883,065
Total Assets		771,342,878	737,834,025
LIABILITIES			
Bills payable	18	9,895,158	13,773,529
Due to financial institutions	19	14,613,108	87,662,161
Deposits and other accounts	20	660,183,339	559,177,932
Lease liabilities	21	6,604,095	4,839,747
Subordinated sukuk	22	3,000,000	3,000,000
Deferred tax liabilities	16	-	1,384,914
Other liabilities	23	28,433,270	19,686,466
Total Liabilities		722,728,970	689,524,749
NET ASSETS		48,613,908	48,309,276
REPRESENTED BY			
Share capital - net	24	11,007,991	11,007,991
Reserves	24	8,367,375	7,166,819
Surplus on revaluation of assets	25	4,315,560	7,396,069
Unappropriated profit		24,922,982	22,738,397
		48,613,908	48,309,276
CONTINGENCIES AND COMMITMENTS			
	26		

The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.



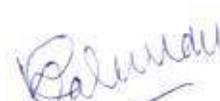
PRESIDENT /
CHIEF EXECUTIVE
OFFICER



CHIEF FINANCIAL
OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

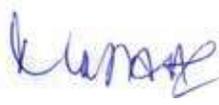
Unconsolidated Profit and Loss Account

For The Year Ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
Profit / return earned	27	74,234,782	112,800,697
Profit / return expensed	28	38,583,707	66,414,069
Net profit / return		35,651,075	46,386,628
OTHER INCOME			
Fee and commission income	29	3,426,321	2,312,184
Dividend income		254,915	67,289
Foreign exchange income		1,370,707	1,296,019
(Loss) / income from shariah compliant alternative of forward foreign exchange contracts		(89,758)	43,305
Gain on securities - net	30	4,171,714	700,889
Net gains on derecognition of financial assets measured at amortised cost		-	-
Other income	31	380,843	170,848
Total other income		9,514,742	4,590,534
Total Income		45,165,817	50,977,162
OTHER EXPENSES			
Operating expenses	32	31,427,228	22,159,072
Workers' welfare fund		284,969	521,014
Other charges	33	121,770	33,819
Total other expenses		31,833,967	22,713,905
Profit before credit loss allowance		13,331,850	28,263,257
Credit loss allowance, (reversal) and write offs - net	34	(631,655)	2,733,556
Other income / expenses		-	-
PROFIT BEFORE TAXATION		13,963,505	25,529,701
Taxation	35	7,960,723	13,696,160
PROFIT AFTER TAXATION		6,002,782	11,833,541
		----- Rupees -----	
Basic and Diluted earnings per share	36	5.41	10.67

The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.


PRESIDENT /
CHIEF EXECUTIVE
OFFICER


CHIEF FINANCIAL
OFFICER


CHAIRMAN


DIRECTOR


DIRECTOR

Unconsolidated Statement of Comprehensive Income

For The Year Ended December 31, 2025

2025 2024
----- Rupees in '000 -----

Profit after taxation for the year	6,002,782	11,833,541
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(4,768,601)	2,805,965
Items that will not be reclassified to profit and loss account in subsequent periods:		
Re-measurement loss on defined benefit obligations - net of tax	(32,064)	(42,689)
Movement in surplus on revaluation of equity investments - net of tax	742,489	3,020
Movement in surplus on revaluation of property and equipment - net of tax	1,410,267	277,152
Movement in surplus on revaluation of non-banking assets - net of tax	(1,307)	18,505
	2,119,385	255,988
Total comprehensive income	3,353,566	14,895,494

The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.



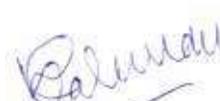
PRESIDENT /
CHIEF EXECUTIVE
OFFICER



CHIEF FINANCIAL
OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

Unconsolidated Statement of Changes in Equity

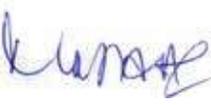
For The Year Ended December 31, 2025

	Share capital	Discount on issue of shares	Statutory reserve	Surplus on revaluation of		Unappropriated profit	Total
				Investments	Property & Equipment / Non Banking Assets		
Rupees in '000							
Opening Balance as at January 01, 2024	11,087,033	(79,042)	4,800,111	3,206,282	1,455,808	15,995,726	36,465,918
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(166,708)	-	(113,670)	(280,378)
Opening Balance as at January 01, 2024	11,087,033	(79,042)	4,800,111	3,039,574	1,455,808	15,882,056	36,185,540
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	11,833,541	11,833,541
Other comprehensive income for the year ended December 31, 2024:							
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	2,805,965	-	-	2,805,965
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	3,020	-	-	3,020
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(42,689)	(42,689)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	277,152	-	277,152
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	18,505	-	18,505
	-	-	-	2,808,985	295,657	(42,689)	3,061,953
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(202,716)	202,716	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(1,239)	1,239	-
Transfer to statutory reserve	-	-	2,366,708	-	-	(2,366,708)	-
Transactions with owners, recorded directly in equity							
Final cash dividend to shareholders for the year 2023 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)
First Interim cash dividend to shareholders for the year 2024 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)
Opening Balance as at January 01, 2025	11,087,033	(79,042)	7,166,819	5,848,559	1,547,510	22,738,397	48,309,276
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	6,002,782	6,002,782
Other comprehensive income for the year ended December 31, 2025 :							
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(4,768,601)	-	-	(4,768,601)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	742,489	-	-	742,489
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(32,064)	(32,064)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	1,410,267	-	1,410,267
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(1,307)	-	(1,307)
	-	-	-	(4,026,112)	1,408,960	(32,064)	(2,649,216)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(171,564)	171,564	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(8)	8	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	(27,713)	27,713	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(184,884)	184,884	-
Gain on sale of equity instruments-FVOCI	-	-	-	(79,188)	-	79,188	-
Transfer to statutory reserve	-	-	1,200,556	-	-	(1,200,556)	-
Transactions with owners, recorded directly in equity							
Final cash dividend to shareholders for the year 2024 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)
First Interim cash dividend to shareholders for the year 2025 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)
Closing Balance as at December 31, 2025	11,087,033	(79,042)	8,367,375	1,743,259	2,572,301	24,922,982	48,613,908

*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.


PRESIDENT /
CHIEF EXECUTIVE
OFFICER


CHIEF FINANCIAL
OFFICER


CHAIRMAN


DIRECTOR


DIRECTOR

Unconsolidated Cash Flow Statement

For The Year Ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		13,963,505	25,529,701
Less: Dividend income		(254,915)	(67,289)
		<u>13,708,590</u>	<u>25,462,412</u>
Adjustments for non-cash charges and other items:			
Net profit / return		(35,651,075)	(46,386,628)
Depreciation on property and equipment	32	2,288,347	1,695,821
Depreciation on non-banking assets	32	1,280	2,327
Depreciation on right-of-use assets	32	1,786,887	1,323,414
Amortisation		418,046	275,027
Depreciation on operatingjarah assets		324,498	153,099
Finance charges on leased assets	28	892,690	806,755
Credit loss allowance, (reversal) and write offs - net	34	(631,655)	2,733,556
Unrealized gain on revaluation of investments classified as FVPL	30	(6,398)	(54,344)
Charge for defined benefit plan		95,216	305,706
Gain on sale of property and equipment	31	(128,291)	(50,447)
Gain on sale of non-banking assets	31	(13,818)	-
		<u>(30,624,273)</u>	<u>(39,195,714)</u>
		<u>(16,915,683)</u>	<u>(13,733,302)</u>
(Increase) / decrease in operating assets			
Due from financial institutions		(14,727,492)	12,247,450
Securities classified as FVPL		(71,263)	54,344
Islamic financing, related assets and advances		4,628,640	(69,116,983)
Other assets (excluding advance taxation)		(6,477,363)	2,379,820
		<u>(16,647,478)</u>	<u>(54,435,369)</u>
(Decrease) / increase in operating liabilities			
Bills payable		(3,878,371)	8,648,352
Due to financial institutions		(73,049,053)	27,003,105
Deposits and other accounts		101,005,407	36,637,007
Other liabilities (excluding current taxation)		13,211,559	(1,811,284)
		<u>37,289,542</u>	<u>70,477,180</u>
		<u>3,726,381</u>	<u>2,308,509</u>
Profit / return received		79,612,210	118,028,120
Profit / return paid		(40,044,307)	(67,256,370)
Income tax paid		(13,265,615)	(15,775,823)
Payment to gratuity fund		(200,000)	(300,000)
Net cash generated from operating activities		<u>29,828,669</u>	<u>37,004,436</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		19,352,154	(27,416,784)
Investment in subsidiary		(1,200,000)	-
Dividends received		254,915	67,289
Investments in property and equipment		(11,675,968)	(4,246,947)
Investments in intangible assets		(1,065,665)	(723,277)
Proceeds from sale of non-banking assets		143,750	-
Proceeds from disposal of property and equipment		590,820	76,201
Net cash generated from / (used in) investing activities		<u>6,400,006</u>	<u>(32,243,518)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(2,384,077)	(2,555,969)
Dividend paid		(3,032,645)	(2,939,378)
Proceeds from issuance of subordinated sukuk		-	150,000
Net cash used in financing activities		<u>(5,416,722)</u>	<u>(5,345,347)</u>
Increase / (decrease) in cash and cash equivalents		<u>30,811,953</u>	<u>(584,429)</u>
Cash and cash equivalents at the beginning of the year		42,076,616	42,661,045
Cash and cash equivalents at the end of the year	38	<u>72,888,569</u>	<u>42,076,616</u>

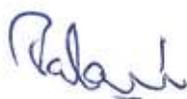
The annexed notes 1 to 50 and annexures I and II form an integral part of these unconsolidated financial statements.



PRESIDENT /
CHIEF EXECUTIVE
OFFICER



CHIEF FINANCIAL
OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

Notes to and Forming Part of the Unconsolidated Financial Statements

For The Year Ended December 31, 2025

1 STATUS AND NATURE OF BUSINESS

1.1 BankIslami Pakistan Limited (the Bank) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Bank on March 18, 2005. The Bank commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006 on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Bank is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Bank is operating through 569 branches including 60 sub-branches as at December 31, 2025 (December 31, 2024: 540 branches including 60 sub-branches). The registered office of the Bank is situated at 11th Floor, Executive Tower Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Bank's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

The Bank is a subsidiary of JS Bank Limited (JSBL), which holds 75.12% shareholding in the Bank. Further JSBL is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL), making JSCL the ultimate parent of the Bank.

1.2 During the year, the Bank has incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Bank pursuant to receipt of No Objection Certificate from the State Bank of Pakistan. The principal business of the Company, upon commencement of operations, will be to provide foreign exchange services. The Company has further obtained In-Principle approval of the Exchange Company from the State Bank of Pakistan and recently have submitted application to SBP for obtaining license for operationalization.

2 BASIS OF PRESENTATION

2.1 The Bank provides financing mainly through Murabaha, Istisna, Diminishing Musharakah, Import Murabaha, Salam, Musawamah, Running Musharaka (Shirkat-ul-Aqd), Ijarah and other Islamic modes as briefly explained in note no. 7.5 to these unconsolidated financial statements.

The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognized in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognized as charity payable as directed by the Shariah Board of the Bank.

2.2 These unconsolidated financial statements are the separate financial statements of the Bank in which investments in subsidiary and associates are carried at cost less accumulated impairment losses, if any, and are not consolidated. The consolidated financial statements of the Bank are being issued separately.

2.3 Effective May 07, 2015, the defunct KASB Bank Limited (amalgamated entity) was amalgamated within and into the Bank. As the amalgamated entity operated as a conventional bank, any assets or liabilities which are not Shariah compliant are shown separately within the unconsolidated financial statement line items.

2.4 The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, these unconsolidated financial statements continue to be prepared on the going concern basis.

3 STATEMENT OF COMPLIANCE

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 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 State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

3.1 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by SBP and SECP differ with the requirements of the 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 disclosures made in these unconsolidated financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated 01 July 2024 and accounting and financial reporting standards as applicable in Pakistan.

3.3 The SBP, through its BSD Circular Letter No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments; Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.

3.4 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly unconsolidated financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these unconsolidated financial statements.

3.5 The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

3.6 The State Bank of Pakistan (SBP) has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. The impact of profit of financing in advance stage is Rs. 286.924 million (net of tax) excluding any Effective profit rate (EPR) effect.

The Bank has received deferment of recording income and expense at EIR via letter from SBP till December 31, 2025. Consequently, these deferred requirements of IFRS 9 have not been considered in the preparation of these annual unconsolidated financial statements. Nevertheless, the Bank has performed a preliminary assessment of the potential impact of adoption of these deferred requirement based on its unconsolidated statement of financial position as at December 31, 2025. The impact of changes in accounting policy on adoption of EIR will be as follows:

Profit / return earned and Profit / return expensed

Profit / return earned and Profit / return expensed are recognised in unconsolidated profit and loss account under the effective yield rate method (EIR). The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the EIR for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit impaired financial assets, a credit-adjusted EIR is calculated using estimated future cash flows including ECL.

The calculation of the EIR includes transaction costs and fees that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The cumulative estimated adjustment, net of tax, arising from the adoption of the EIR method as at January 01, 2026 is not material and accordingly, has not been disclosed in these unconsolidated financial statements.

4 CHANGES IN REPORTING STANDARDS AND INTERPRETATIONS

4.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

There are certain interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these unconsolidated financial statements.

4.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

Following standards, amendments and interpretations with respect to accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026
Annual improvement to IFRS Accounting Standards - Volume 11	01 January 2026
IFRS S1 - General Requirements for Disclosure of Sustainability - related Financial Information	01 January 2026
IFRS S2 - Climate - related disclosure	01 January 2026
IFRS 1 – First-time Adoption of International Financial	01 January 2004
IFRS 18 - Presentation and Disclosure in Financial Statements	01 January 2027

The above standards are either not applicable to the Bank or are not expected to have any material impact on the Bank's financial statements. However, SECP vide S.R.O 742 (I)/2025 (dated 16 April 2025) notified that International Financial Reporting Standard (IFRS 7 - 'Financial Instruments: Disclosures' shall be followed by Banks, for the purpose of financial statements, from the annual reporting periods beginning on or after 01 January 2026 (earlier application is permitted).

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain accounting estimates. It also requires the management to exercise judgement in the process of applying the Bank's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets, liabilities, income, and expenses. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgement was exercised in the application of accounting policies are as follows:

	Note
(a) Classification of financial assets	7.1.2
(b) Valuation and impairment of investments in associates	7.4
(c) Valuation and Impairment of financial instruments	7.1.4
(d) Valuation and depreciation of property and equipment	7.6.2
(e) Determination of Ijarah (lease) term and the discount rate for recognition of Ijarah (lease) liabilities and depreciation on related right-of-use assets	7.6.3
(f) Valuation and amortization of intangible assets	7.6.4
(g) Valuation of non-banking assets acquired in satisfaction of claims	7.8
(h) Valuation of defined benefit plans	7.12.1
(i) Taxation	7.7
(j) Valuation of shariah compliant forward exchange contracts	7.18.4

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

6 BASIS OF MEASUREMENT

6.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention, except for certain fixed assets, certain investments, foreign currency balances, commitments in respect of shariah compliant alternative of foreign exchange contracts and non-banking assets acquired in satisfaction of claims have been marked to market and are carried at fair value. Further, staff retirement benefits as discussed in note numbers 7.12 and 40 to the unconsolidated financial statements have been carried at present values as determined under the International Accounting Standards (IAS) 19 (revised) 'Employee Benefits'.

6.2 Functional and Presentation Currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

6.3 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

7 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, except as disclosed in note 7.1 below.

7.1 IFRS 9 - Financial Instruments

In accordance with BPRD Circular Letter No. 16 dated July 29, 2024, the State Bank of Pakistan (SP) directed banks to measure unlisted equity securities at fair value in line with the application instructions of IFRS 9, effective January 01, 2025. Accordingly, the Bank measures unlisted equity securities at fair value using appropriate valuation techniques and models in accordance with IFRS 13 - Fair Value Measurement. The Bank assessed the impact of this change at the beginning of the current accounting period and concluded that the effect was not material; therefore, no adjustment was made to opening equity. The impact has been recognized prospectively during the current accounting period. The impact of the application as at December 31, 2025 is presented below:

	(Rupees in '000)
Increase in investments - unlisted equity securities	11,657
Increase in deferred tax liabilities	6,062
Increase in revaluation of assets	5,595
Increase in unappropriated profit	-

The Bank has adopted IFRS 9 in accordance with the Application Instructions from January 01, 2024, using the modified retrospective approach and has not restated comparatives for the 2023 reporting period and the differences in carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at January 01, 2024, as permitted under the specific transitional provisions in the Standard. Accordingly, the information presented for 2023 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2024 under IFRS 9.

SBP through its BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, has amended and extended the timelines for application instructions. Under the revised guidelines, banks are required to implement modification accounting for financial assets and liabilities in accordance with the Standard. These changes took effect from October 01, 2024, and have been applied retrospectively from January 01, 2024. SBP through its BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, SBP further clarifies that modification accounting to be applied to loans modified on or after January 01, 2020.

7.1.2 Classification and measurement

Under the Standard, classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at fair value through profit and loss (FVPL) regardless of the business model in which they are held. Further, classification is categorized as follows:

Financial Assets

Existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

- Financial assets at fair value through profit or loss account (FVPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at amortised cost

Financial Liabilities

Financial liabilities are either classified as fair value through profit or loss (FVPL), when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVPL are measured at fair value and all the fair value changes are recognised in profit and loss account.

7.1.3 Business Model and SPPI Assessments

Under IFRS 9, the classification of the financial assets is based on two criteria: a) the Bank's business model for managing the assets; and b) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

a) Business model assessment

The Bank determines its business model at the level that best reflects how it manages financial assets to achieve its business objective. The Bank's business model 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 profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing 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.
- How managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- The expected frequency, volume 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 realized.

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.

Transfer of financial assets to third parties in transactions do not qualify for derecognition because such transfer does not effect the bank's contractual rights to receive the cash flows associated with the said financial assets and is consistent with the Bank's continuing recognition criteria of the financial assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss (FVPL) because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Separately, for equity investments that are not held for trading, IFRS 9 allows the Bank to make an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income (OCI). This election is made at the individual instrument (scrip) level.

Eventually, the financial assets fall under either of the following three business models:

- Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows.
- Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets.
- Other business models: Held for trading which is evaluated on fair value basis and measured at FVPL because they neither are held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

b) Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

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 elements of profit within a financing arrangement are the consideration for the time value of money, credit risk, liquidity risk, and basic lending costs associated with the financial asset. To make the SPPI assessment, the Bank applies judgement 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.

In contrast, contractual terms that introduce a more than de-minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

If the SPPI test is met, the classification of the financial asset depends on the business model:

- Amortized Cost – If the financial asset is held to collect contractual cash flows.
- Fair Value Through Other Comprehensive Income (FVOCI) – If the financial asset is held both to collect contractual cash flows and for sale.
- Fair Value Through Profit or Loss (FVPL) – If the SPPI test is failed or the business model requires fair value measurement.

7.1.4 Initial recognition and subsequent measurement

The classification and subsequent measurement requirements of IFRS 9 categories are as follows;

Financial Assets

a) Amortised cost (AC)

The Bank classifies its debt based financial assets at amortised cost only if both of the following criteria are met and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect Contractual Cash Flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI test) on the principal amount outstanding.

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value.

After initial measurement, these financial instruments are subsequently measured at amortised cost using the Effective Profit Rate (EPR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EPR. The amortisation is included in "Profit Income" in the Income Statement.

Staff and Temporary Economic Refinance Facility (TERF) financing are recognized at fair value at the time of disbursement. The fair value is determined by discounting the expected future cash flows using the prevailing market rates for instruments.

b) Fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income comprise:

- equity securities which are not held for trading, and for which the company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss, and
- debt securities where the contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets under FVOCI category are initially recognised at fair value.

These financial instrument are subsequently measured at fair value. Movements in the carrying amount from one reporting date to other are taken through OCI.

c) Fair value through profit or loss (FVPL)

The Bank classifies the following financial assets at fair value through profit and loss:

- debt investments that do not qualify for measurement at either amortised cost or at fair value through other comprehensive income; and
- equity investments that are held for trading.

Financial assets under FVPL category are initially recognised at fair value.

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 FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

These financial instrument are subsequently measured at fair value. Changes in the fair value of financial assets at FVPL are recognised in through profit and loss. Profit income from debt instruments is included in the finance income.

Financial Liabilities

Financial liabilities classified at amortised cost are initially recorded at their fair value and subsequently measured using the effective yield rate method. Profit expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

7.1.5 Derecognition

Financial assets

The Bank de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit and loss. Cumulative gain / loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit and loss on de-recognition of such securities.

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit and loss.

7.1.6 Modification

Financial Assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Bank performs an assessment to determine whether the modifications result in the derecognition of that financial asset.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual financial assets are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the bank first recalculates the gross carrying amount of the financial asset using the original effective yield rate of the asset and recognize the resulting adjustment as a modification gain or loss in profit and loss.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective yield rate method.

Financial Liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability recognized and consideration paid is recognized in profit and loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective yield rate and the resulting gain and loss is recognized in profit and loss.

For financial liabilities, the Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

7.1.7 Reclassification

Financial liabilities are not reclassified subsequent to initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at FVOCI do not affect effective yield rate or expected credit loss computations.

Reclassified from amortised cost

Where financial assets held at amortised cost are reclassified to financial assets held at FVPL, the difference between the fair value of the assets at the date of reclassification and the previously recognised amortised cost is recognised in statement of profit and loss.

For financial assets held at amortised cost that are reclassified to FVOCI, the difference between the fair value of the assets at the date of reclassification and the previously recognised gross carrying value is recognised in comprehensive income. Additionally, the related cumulative expected credit loss amounts relating to the reclassified financial assets are reclassified from provisions to a separate reserve in comprehensive income at the date of reclassification.

Reclassified from fair value through other comprehensive income

Where financial assets held at FVOCI are reclassified to financial assets held at FVPL, the cumulative gain or loss previously recognised in comprehensive income is transferred to the profit and loss.

For financial assets held at FVOCI that are reclassified to financial assets held at amortised cost, the cumulative gain or loss previously recognised in comprehensive income is adjusted against the fair value of the financial asset such that the financial asset is recorded at a value as if it had always been held at amortised cost. In addition, the related cumulative expected credit losses held within comprehensive income are reversed against the gross carrying value of the reclassified assets at the date of reclassification.

Reclassified from fair value through profit or loss

Where financial assets held at FVPL are reclassified to financial assets held at FVOCI or financial assets held at amortised cost, the fair value at the date of reclassification is used to determine the effective yield rate on the financial asset going forward. In addition, the date of reclassification is used as the date of initial recognition for the calculation of expected credit losses. Where financial assets held at FVPL are reclassified to financial assets held at amortised cost, the fair value at the date of reclassification becomes the gross carrying value of the financial asset.

7.1.8 Impairment and measurement of ECL

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), Ijarah / Diminishing Musharaka receivables, and certain financing commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL).

Based on the requirements of the Standard and SBP's Application Instructions, the Bank has performed an ECL assessment considering the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Non-Performing financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'non-performing' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A financing that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Under the IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Bank is required to calculate ECL on its non-performing financial assets as higher of provision under Prudential Regulations (PR) or ECL under IFRS 9.

The Bank calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR or ECL under IFRS 9 at borrower / facility level, whereas against the retail borrowers the Bank will calculate ECL at higher of PR or ECL under IFRS 9 at segment / product basis as instructed under Annexure-A of BPRD Circular no. 16 of 2024.

Reclassified from fair value through profit and loss

Purchase or Originated Credit Impaired (POCI) financial assets are assets that are credit-impaired on initial recognition. Expected credit loss for these assets is not recognized in a separate loss provision on initial recognition, as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognized as a loss allowance after initial recognition is equal to the changes in lifetime ECL since the initial recognition of the asset.

7.1.9 Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or profit payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

Under the SBP's instructions, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of the Standard has stabilized, Stage 1 and Stage 2 provisions would be made as per the Standard's ECL criteria and Stage 3 provisions would be made considering higher of the Standard's ECL or provision computed under existing requirements of Prudential Regulations (PRs) issued by SBP on a segment basis for retail financing and ORR obligor basis for corporate / commercial / SME portfolio.

As required by the Application Instructions, financial assets may be reclassified out of Stage 3 if they meet the requirements of PRs. Financial assets in Stage 2 may be reclassified to Stage 1 if the conditions that led to a SICR no longer apply. However, a minimum cooling period of 3 months / 3 installments (whichever is last) is required before any financial asset is moved back to Stage 1. Any upgrading from stage 3 to stage 2 must be subject to a cooling off period of as per prudential regulations. If the facility has been regular during the cooling off period, it will move back to Stage 2 after which the criteria for moving from Stage 2 to Stage 1 will apply. An exposure cannot be upgraded from Stage 3 to Stage 1 directly and should be upgraded to Stage 2 initially.

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure-C of BPRD Circular no. 3 of 2022.

The Bank will not rebut the 30 DPD presumption as a key SICR criterion.

The Bank may override the criteria supported by reasonable evidence on a case by case basis. This includes:

- Cases of technical delinquencies (for example, accounts marked as DPD 30+ owing to administrative reasons and not credit related concerns; or cases where there is no dispute regarding payment amount).
- Cases of delinquencies where payments on facilities are linked to government payments causing such delinquencies.

However, any such specific override will require approval from Chief Risk Officer.

The Bank measures ECL on a lifetime basis for Purchased or originated credit - Impaired (POCI) instruments throughout the life of the instrument. However, ECL is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Bank recognises the change in lifetime expected credit losses arising subsequent to initial recognition in the profit and loss account and the cumulative change as a loss provision. Where lifetime ECL on POCI instruments are less than those at initial recognition, then the favorable differences are recognised as impairment gains in the statement of profit and loss.

Undrawn financing commitments and guarantees:

'Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Financing commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a financing at a below-market profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

When estimating lifetime ECL 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 cash flows if the financings are drawn down, based on a probability-weighting of the three scenarios.

7.1.10 Governance, ownership and responsibilities

The Bank has adopted a governance framework requiring the Risk, Finance, Operations, Internal Audit and IT functions to effectively work together to ensure input from all business lines. IFRS 9 requires robust credit risk models that can predict Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The Bank's Risk Management Department has developed models / methodologies for PD, LGD and Credit Conversion Factors (CCF). These models shall be validated on annual basis considering the following aspects:

- Quantitative Validation: ECL model design validation, data quality validation and benchmarking with external best practices.
- Quantitative Validation: Calibration testing which ensures the accuracy of the observed PDs.

The Risk Department will define the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk department will also take the ownership of the impact of ECL on bank's capital.

The Bank's Finance Department will perform ECL calculation. As a result, the department will then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios. Risk Management Department shall also present quarterly progress report to its Board Risk Management Committee.

The IT Department shall identify, prepare and extract the data required for the risk parameters modelling and ECL calculations. IT department shall also support project owners for system development and upgrades.

7.2 Cash and cash equivalents

Cash and cash equivalents as referred to in the unconsolidated cash flow statement comprise cash and non restricted balances with treasury and other banks less overdrawn nostro accounts. Restricted balances not available for use, if any, are excluded from cash and cash equivalents.

7.3 Due to / from financial and other institutions

7.3.1 Bai Muajjal

In Bai Muajjal transactions, the Bank sells sukuk on deferred payment basis to financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the credit period.

7.3.2 Musharakah

In Musharakah, the Bank invests / accepts in the Shariah compliant business pools of / from the financial institutions as per the Shariah principles of profit and loss sharing.

7.3.3 Musharakah from State Bank of Pakistan under Islamic Export Refinance Scheme (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 Shariah guidelines issued by the SBP. The profit of the pool is shared as per the agreed PSR between the partners.

7.3.4 Acceptances from State Bank of Pakistan for financial assistance

The Bank has recorded Acceptances from State Bank of Pakistan for financial assistance at its fair value which is amortized over its agreed term.

7.3.5 Commodity Murabaha

In Commodity Murabaha, the Bank sells commodities 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.

7.3.6 Wakalah

In Wakalah, the Bank accepts / places funds from / with financial Institutions by entering into Investment Agency for the funds to be invested in profitable avenues as Wakeel / on behalf of the Muwakkil.

7.4 Investments

Associates Associate is an entity over which the Bank has significant influence but not control. Investment in associates are initially carried at cost.

Subsidiaries Subsidiary is an entity over which the Bank has control. Investment in subsidiary is initially carried at cost.

BankIslami

7.5 Islamic financing, related assets and advances

7.5.1 Islamic financing and related assets are financial products originated by the Bank and principally comprise of Murabahah, Istisna, Ijarah, Salam, Muswammah, Diminishing Musharakah, Running Musharakah (Shirkat-ul-Aqd) and other Islamic modes of financing and the related assets.

As a general rule, funds disbursed under financing arrangements for purchase of goods / assets are recorded as advance. On culmination, financings are recorded at the deferred sale price net of profit. Goods purchased but remained unsold at the unconsolidated statement of financial position reporting date are recorded as inventories.

7.5.2 Ijarah Financing {Ijarah contracts where the Bank acts as Mujir (lessor)}

Ijarah financing executed on or before December 31, 2008 have been accounted for under finance method, thereafter all Ijarah financing are accounted for under IFAS-2.

- (a) Under finance method, the present value of minimum Ijarah payments have been recognized and shown under Islamic financing and related assets. The unearned income i.e. the excess of aggregate Ijarah rentals over the cost of the asset and documentation charges under Ijarah facility is deferred and then amortized over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah. Gains / losses on termination of Ijarah contracts are recognized as income on a receipt basis. Income on Ijarah is recognized from the date of delivery of the respective assets to the Mustajir (lessee).
- (b) Under IFAS-2 method, assets underlying Ijarah financing have been carried at cost less accumulated depreciation and impairment, if any, and are shown under Islamic financing and related assets. Rentals accrued from Ijarah financing net of depreciation charge are taken to the unconsolidated profit and loss account. Depreciation on Ijarah assets is charged by applying the straight line method over the Ijarah period which is from the date of delivery of respective assets to Mustajir up to the date of maturity / termination of Ijarah agreement.

7.5.3 Murabahah

Murabahah is a sale transaction with the purchase ordered wherein the first party (the Bank) sells to the client / customer Shariah compliant assets / goods for cost plus a pre-agreed profit after getting title and possession of the same. In principle, on the basis of an undertaking (Promise-to-Purchase) from the client (the purchase ordered), the Bank purchases the assets / goods subject of the Murabahah from a third party and takes the possession thereof. However, the Bank can appoint the client as its agent to purchase and take possession of the assets / goods on its behalf. Thereafter, it sells it to the client at cost plus the profit agreed upon in the promise.

7.5.4 Istisna

Istisna is a contract where the buyer (the Bank) orders the client (seller / manufacturer) to manufacture and deliver specified goods at an agreed contract price upon completion. Istisna is used with Wakalah agreement to provide financing mainly to manufacturers. Thus the transaction consists of two stages: (i) Bai Istisna whereby the Bank purchases goods from the client and (ii) Wakalah whereby the Bank after receipt / possession of goods, appoints the client its agent to sell the goods in the market.

7.5.5 Diminishing Musharakah

Diminishing Musharakah represents an asset in joint ownership whereby a partner promises to buy the equity share of the other partner until the ownership of the asset is totally transferred to him. The partner using the asset pays the proportionate rental of such asset to the other partner (the Bank).

7.5.6 Import Murabahah

Import Murabahah is a product, used to finance a commercial transaction which consists of purchase by the Bank (generally through an undisclosed agent) the goods from the foreign supplier and selling them to the client after getting the title and possession of the goods. Murabahah financing is extended to all types of trade transactions i.e., under Documentary Credits (LCs), Documentary Collections and Open Accounts.

7.5.7 Salam

Salam is a sale transaction where the seller undertakes to supply some specific goods to the buyer at a future date against an advance price fully paid on spot. In Salam financing, the transaction consists of two stages: (i) Bai Salam whereby the Bank purchases goods from the client and (ii) Wakalah whereby the Bank after receipt / possession of goods, appoints the client its agent to sell the goods in the market.

7.5.8 Musawamah / Tijarah

Under this product the Bank purchases identified goods from client at an agreed purchase price on the basis of Musawamah. The Bank then sells the goods in the market through an agent (Client) at a higher price to earn its desired profit.

7.5.9 Musharakah

Musharakah are different types of partnerships in business with distribution of profit in agreed ratio and distribution of loss in the ratio of capital invested.

7.5.10 Wakalah-tul-Istismar (Investment Agency Wakalah)

Wakalah-tul-Istismar means appointing another person to invest and grow one's wealth, with or without a fee. It covers contract for acquisition of services of a person or institution (Wakeel) for making investments of Wakalah Funds, and accomplishment of certain task on behalf of another person or institution (Muwakkil).

7.5.11 Running Musharakah

In Running Musharakah financing, the Bank enters into financing with the customer based on Shirkat-ul-Aqd (Business Partnership) in customer's operating business. Under this mechanism the customer can withdraw and return funds to the Bank subject to its Running Musharakah Financing limit during the Musharakah period. At the end of each quarter / 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 and unclaimed profit above ceiling (if any).

7.5.12 Ijarah

Ijarah is a contract where the owner of an asset transfers its usufruct (i.e. the usage right) to another person for an agreed period, at an agreed consideration. The rentals received / receivable on Ijarah are recorded as income / revenue. Depreciation on Ijarah assets is charged by applying the straight line method over the Ijarah period which is from the date of delivery of respective assets to Mustajir up to the date of maturity / termination of Ijarah agreement.

7.5.13 Advances

On May 07, 2015, the Bank acquired operation of the defunct KASB Bank Limited (the amalgamated entity) which was operating as a conventional bank in Pakistan. Subsequent to acquisition, the Bank converted portfolio of conventional advances into Shariah compliant financings. Advances represent unconverted portfolio, mostly consist of delinquent accounts, and are stated net of specific and general provisions.

7.6 Property, equipment and intangible assets

7.6.1 Capital work in progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction / development period are carried under this head. These are transferred to specific assets as and when assets become available for use.

7.6.2 Property and equipment

Property and equipment other than freehold land and building on leasehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and building on leasehold land are carried at revalued amount less any accumulated depreciation and subsequent impairment losses. The revaluation exercise is carried out on periodic basis.

Depreciation is computed using the straight-line method by taking into consideration the estimated useful life of the related assets at the rates specified in Property and equipment note to the unconsolidated financial statements. Depreciation on additions / deletions during the year is charged for the proportionate period for which the asset remained in use.

Subsequent costs are included in the assets' carrying amount or are recognized 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. Maintenance and normal repairs are charged to the unconsolidated profit and loss account as and when incurred.

The surplus arising on revaluation is credited to other comprehensive income. However, the increase shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss account. The deficit arising on a particular property as a result of a revaluation is recognised in profit and loss account as an impairment. However, the decrease to be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation on buildings which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Property and equipment Account" to unappropriated profit through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year. Gains or losses on disposal of assets are included in the profit and loss account currently, except for the related surplus on revaluation of Property and equipment (net of deferred tax) which is transferred directly to equity.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal.

Residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposal of property and equipment, if any, are taken to the unconsolidated profit and loss account.

7.6.3 Ijarah (Leased) assets {where the Bank is Mustajir (lessee)}

The SBP, vide its BPRD Circular Letter No. 8 dated April 30, 2019 and BPRD Circular No. BPRD/RPD/2019/17 dated July 26, 2019 has directed all Islamic Banks to apply IFRS 16 - 'Leases' in all Ijarah (lease) contracts where the Islamic Banks acts in capacity of Mustajir (lessee).

Accounting policy with regards to Ijarah (leased) assets where the bank is Mustajir (lessee) is as follows:

Right-of-use (RoU) assets

At the commencement date of the lease, the RoU asset is initially measured at the present value of lease liability. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any re-measurement of lease liabilities. RoU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the expected lease term.

Ijarah (lease) Liability

At the commencement date of the Ijarah (lease), the Bank recognizes Ijarah (lease) liability measured at the present value of the consideration (Ijarah payments) to be made over the expected Ijarah (lease) term and is adjusted for Ijarah (lease) prepayments. The lease payments are discounted using the effective rate implicit in the Ijarah (lease), unless it is not readily determinable, in which case the Mustajir (lessee) may use the incremental rate of financing. After the commencement date, the carrying amount of Ijarah (lease) liability is increased to reflect the accretion of finance cost and reduced for the Ijarah (lease) payments made.

7.6.4 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method over the estimated useful life. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date. Intangible assets having an indefinite useful life are stated at acquisition cost, less impairment losses, if any.

Amortization on additions / deletions during the year is charged for the proportionate period for which the asset remained in use.

Software and other development costs are only capitalized to the extent that future economic benefits are expected to be derived by the Bank.

Intangible assets, including goodwill, with indefinite useful life are not amortized but tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

7.6.5 Impairment

At each reporting date, the Bank reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the greater of net selling price and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognized as an expense immediately in the unconsolidated financial statements except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

Where an impairment loss reverses subsequently, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately except for impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets.

7.7 Taxation

7.7.1 Current

The provision for current taxation is based on taxable income for the year at current rates of taxation, after taking into consideration available tax credits, rebates and tax losses as allowed under the seventh schedule to the Income Tax Ordinance, 2001. The charge for current tax also includes adjustments, where considered necessary relating to prior years, which arises from assessments / developments made during the year.

7.7.2 Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Bank also records deferred tax asset on available tax losses. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

The Bank also recognizes deferred tax asset / liability on deficit / surplus on revaluation of securities and fixed assets which is adjusted against the related deficit / surplus in accordance with the requirements of the IAS 12 - Income Taxes.

7.8 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost and revalued at each year-end date of the unconsolidated statement of financial position. An increase in market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is initially used to reduce the surplus account, if any, or if no surplus exists, is charged to the unconsolidated profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the unconsolidated profit and loss account up to the extent of the original impairment. All direct costs of acquiring title to the asset are charged immediately to the unconsolidated profit and loss account.

Depreciation on non-banking assets acquired in satisfaction of claims is charged to the unconsolidated profit and loss account in line with depreciation charged on fixed assets.

These assets are generally intended for sale. Gains and losses realized on the sale of such assets are disclosed separately from gains and losses realized on the sale of fixed assets in the notes to the unconsolidated financial statements. If such asset is subsequently used by the Bank for its own operations, the asset, along with any related surplus, is transferred to fixed assets.

7.9 Non-current assets held for sale

The Bank classifies a non-current asset as held for sale if it represents a separate major line of business or a geographical area of operations or is a investment in subsidiary / associate which the Bank has decided to divest; and its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

A non-current asset held for sale is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised through the unconsolidated profit and loss account for any initial or subsequent write down of the non-current asset held for sale to fair value less cost to sell. Subsequent gain in fair value less cost to sell are recognised to the extent they do not exceed the cumulative impairment losses previously recorded. A non-current asset held for sale is not depreciated while classified as held for sale or while part of a disposal group classified as held for sale.

7.10 Subordinated Sukuk

Subordinated sukuk is initially recorded at the amount of proceeds received. Profit expense on subordinated sukuk is charged to unconsolidated profit and loss account over the period on an accrual basis and is recognised as part of other liabilities.

7.11 Acceptances

Acceptances comprise of undertakings by the Bank to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the unconsolidated statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

7.12 Staff retirement benefits

7.12.1 Defined benefit plan

The Bank operates an approved funded gratuity scheme for its permanent employees. The liability recognized in the unconsolidated statement of financial position in respect of defined benefit gratuity scheme, is the present value of the defined benefit obligation at the unconsolidated statement of financial position 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.

Amounts arising as a result of remeasurements, representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognized in the unconsolidated statement of financial position immediately, with a charge or credit to "Unconsolidated Statement of Other Comprehensive Income" in the periods in which they occur.

7.12.2 Defined contribution plan

The Bank operates a recognized contributory provident fund for all the permanent employees. Equal monthly contributions are made both by the Bank and the employees at the rate of 6.66% of the basic salary. The Bank has no further payment obligations once the contributions have been paid. The contributions made by the Bank are recognized as employee benefit expense when they are due.

7.13 Revenue recognition

7.13.1 Profit on Murabahah and Commodity Murabahah is recognized over the financing stage of Murabahah on an accrual basis. Profit on Murabahah transactions for the period from the date of disbursement to the date of culmination of Murabahah is recognized immediately on the culmination date.

7.13.2 Profit from Istisna, Salam and Muswammah / Tijarah are recorded on an accrual basis commencing from the time of sale of goods till the realization of proceeds by the Bank. Profit from Diminishing Musharakah are recognized on a time proportionate basis in the form of rentals.

7.13.3 The Bank follows the finance method in recognizing income on Ijarah contracts written up to December 31, 2008. Under this method the unearned income i.e. excess of aggregate Ijarah rentals over the cost of the asset and documentation charges under Ijarah facility is deferred and then amortized over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah. Gains / losses on termination of Ijarah contracts are recognized as income on a receipt basis. Income on Ijarah is recognized from the date of delivery of the respective assets to the Mustajir (lessee).

Rental from Ijarah contracts entered on or after January 01, 2009 is recognized in the unconsolidated profit and loss account over the term of the contract net of depreciation expense relating to the Ijarah assets.

7.13.4 Provisional profit of Musharakah financing is recognized on an accrual basis. Actual profit / loss on Musharakah financing is adjusted after declaration of profit by Musharakah partner or on liquidation of Musharakah.

7.13.5 Profit on Wakalah-tul-Istismar financings is booked on an accrual basis and is adjusted upon declaration of profit by the Wakeel.

7.13.6 Profit on Running Musharakah financings is booked on an accrual basis and is adjusted upon declaration of profit by Musharakah partners.

7.13.7 Profit on classified financing is recognized on a receipt basis.

7.13.8 Dividend income is recognized when the right to receive the dividend is established.

7.13.9 Gains and losses on sale of investments are recognized in the unconsolidated profit and loss account.

7.13.10 Fee on issuance of letter of credit and acceptance is recognized on receipt basis as generally the transactions consummate within an accounting period. Commission on guarantees, if considered material, is recognized over the period of guarantee. 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 Bank recognises fees earned on transaction-based arrangements at a point in time when the Bank has fully provided the service to the customer. Where the contract requires services to be provided over time, the income is recognised on a systematic basis over the life of the related service.

7.13.11 Profit on Sukuks is recognized on an accrual basis. Where Sukuks (excluding held for trading securities) are purchased at a premium or discount, the premiums / discounts are amortized through the unconsolidated profit and loss account over the remaining life of Sukuk, using the effective yield method.

7.13.12 Income earned from revenues that are not Shariah compliant are not recognized in the unconsolidated profit and loss account. This income is classified as charity payable in accordance with the recommendation of the Shariah Board of the Bank.

7.14 Revenue from conventional products

On May 07, 2015, the Bank acquired operation of the defunct KASB Bank Limited (the amalgamated entity) which had been operating as a conventional bank in Pakistan. Keeping in view Shariah compliance, under the directives of the Shariah Board of the Bank, any income accruing on conventional products is being credited to the Charity Payable account after deduction of any actual costs incurred on recovery, as approved by the Shariah Board.

7.15 Financial instruments

7.15.1 Financial assets and financial liabilities

Financial assets and financial liabilities are recognised at the time when the Bank becomes a party to the contractual provision of the instrument. Financial assets are derecognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are derecognised when obligation is discharged, cancelled or expired. Any gain or loss on derecognition of the financial asset and liability is recognised in the unconsolidated statement of profit and loss account of the current period.

7.15.2 Off-setting of financial instruments

Financial assets and financial liabilities are off-set and the net amount is reported in the unconsolidated financial statements only when there is a legally enforceable right to set-off the recognized amount and the Bank intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also reported on a net basis in the unconsolidated financial statements, only when permitted by the accounting and reporting standards as applicable in Pakistan.

7.16 Shariah compliant derivatives (Under Wa'ad Structure)

Shariah compliant derivative financial instruments are recognized at fair value. In case of equity Shariah compliant futures, the fair value is calculated with reference to quoted market price. Derivatives with positive market values (i.e. unrealized gains) are included in other receivables and derivatives with negative market values (i.e. unrealized losses) are included in other liabilities in the unconsolidated statement of financial position. The resultant gains and losses are taken to the unconsolidated profit and loss account.

7.17 Off - balance sheet obligations

The Bank in the ordinary course of business, issues letters of credit, guarantees, bid bonds, performance bonds etc. The commission against such contracts is recognised in the unconsolidated statement of profit and loss account under "fee and commission income" over the period of contracts. The Bank's liability under such contracts is measured at the higher of the amount representing unearned commission income at the reporting date and the best estimate of the amount expected to settle any financial obligation arising under such contracts.

7.18 Foreign currencies

7.18.1 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Bank operates. The unconsolidated financial statements are presented in Pakistani Rupee, which is the Bank's functional and presentation currency.

7.18.2 Foreign currency transactions

Foreign currency transactions are translated into local currency at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the exchange rates prevailing at the unconsolidated statement of financial position reporting date. Forward exchange promises are revalued using forward exchange rates applicable to their respective remaining maturities.

7.18.3 Translation gains and losses

Translation gains and losses are included in the unconsolidated profit and loss account.

7.18.4 Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates. 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.

Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the Bank in the unconsolidated financial statements.

7.19 Deposits

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current non-remunerative accounts' and Deposits generated on Mudarabah basis are classified as 'Current remunerative accounts', 'Saving deposits' and 'Fixed deposits'. No profit or loss is passed on to current non-remunerative 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 saving accounts. In case of fixed deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realized in investment pools are distributed in pre-agreed profit sharing ratio. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period.

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investments.

Asset pools are created at the Bank's discretion and the Bank can add, amend, transfer an asset to any other pool in the interests of the deposit holders.

7.20 Pool Management

The Bank operates general and specific pools for deposits and inter-bank funds accepted / acquired under Mudarabah, Musharakah and Wakalah modes.

Under the general deposit pools, the Bank accepts funds on Mudarabah basis from depositors (Rab-ul-Maal) where the Bank acts as Manager (Mudarib) and invests the funds in the Shariah compliant modes of financings, investments and placements. When utilizing 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, high net worth customers and other banks for Islamic Export Refinance Scheme to Bank's customers and liquidity management respectively under the Musharakah / Mudarabah modes. The profit of each deposit pool is calculated on all the remunerative assets booked by utilizing the funds from the pool after deduction of expenses directly incurred in earning the income of such pool. The directly related costs comprise of depreciation on ijarah assets, takaful premium. No expense of general or administrative nature of expense is charged to the pools. No provisions 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 share) 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 share.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool. As per Bank's policy, relatively low risk / secured financing transactions and assets are allocated to general depositors' pool of PKR, USD, GBP and Euro. The Bank maintains General Pools, 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.

7.20.1 General Pool

Due to limited investment options in USD, GBP and Euro pool, funds from FCY pools are invested in available International Sukuk, Shariah Compliant Nostro accounts and remaining funds are converted through swaps, to be invested in PKR Sukuk, their return to be distributed among respective FCY pools.

7.20.2 Special Mudarabah Pool

Special Mudarabah Pools are created to manage returns of high net worth depositors and Government institutions. The funds received against these deposits are invested in various Shariah compliant assets.

7.20.3 Specific Musharakah Pool

7.20.3.1 Islamic Export Refinance Scheme Pool

The IERS pool assets comprise of Sovereign Guarantee Sukuks, and financings to / sukuks of blue chip companies and exporters as allowed under the applicable laws and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

7.20.3.2 Other Specific Musharakah Pool

The Other Specific Musharakah Pool assets comprise of consumer housing finance portfolio, sukuk and the related liability of the pool comprises of Musharakah Acceptance from a financial institution. This pool is created to fund the housing finance portfolio.

7.20.3.3 Financial Institution (FI) Pools

The FI pools assets generally comprise of Sovereign Guarantee Sukuks only and the related liability of the FI pools comprise of Musharakah / Mudarabah / Wakalah Acceptance from other banks and financial institutions. These pools are created to meet the liquidity requirements of the Bank.

7.21 Expected credit loss (ECL) and Contingent Assets and Liabilities

Credit loss is recognized when the Bank has a present legal or constructive obligation arising as a result of past events and 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. Credit loss is reviewed at each reporting date and are adjusted to reflect the current best estimates.

Contingent assets are not recognized, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are disclosed unless the probability of an outflow of resources embodying economic benefit is remote.

Credit loss for guarantee claims and other off-balance sheet obligations are recognized when intimated and reasonable certainty exist for the Bank to settle the obligation. Charge to the unconsolidated profit and loss account is stated net of expected recoveries.

7.22 Business Combinations

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Bank's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired, the difference is recognized directly in the unconsolidated profit and loss account as bargain purchase.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any.

Acquisition of non-controlling interests (NCI) is measured at the proportionate share of the NCI in the fair value of the net assets acquired by the Bank. The excess of fair value of consideration transferred over the proportionate share of the NCI in the fair value of the net assets acquired is recognized in equity.

7.23 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. The Bank has defined its segments in line with the requirements of IFRS 8 - "Operating Segments".

IFRS 8 requires the entity to define operating segments based on various factors including the basis on which operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

7.23.1 Business segments

Trading and sales

It includes equity, foreign exchanges, commodities, money market placements and Shariah compliant debt investments.

Retail banking

It includes retail Islamic financing and related assets, deposits and banking services offered to the Bank's retail customers.

Commercial banking

It includes investment banking business, trade business and Islamic financing and related assets relating to the Bank's corporate, SME and agriculture customers.

Support Centre

It includes the assets and liabilities relating to support functions at Head Office and their related income and expenses.

7.23.2 Geographical segment

The Bank operates only in Pakistan.

7.24 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

7.25 Dividend and reserves

Dividend declared and appropriations, except for transfer to statutory reserve, made subsequent to the date of Statement of Financial Position are considered as non-adjusting events and are recorded as a liability in the financial statements in the year in which these are approved by the directors / shareholders as appropriate. Furthermore, the surplus on revaluation of fixed assets, including non-banking assets acquired in satisfaction of claims, is not available for the distribution of dividends to the shareholders.

7.26 Statutory reserve

Every Bank incorporated in Pakistan is required to transfer 20% of its profit to a statutory reserve until the reserve equals share capital, thereafter 20% of the profit of the Bank is to be transferred to this reserve.

7.27 Clients' assets

The Bank provides services that result in the holding of assets on behalf of its clients. Such assets are not reported in the unconsolidated financial statements, as they are not the assets of the Bank.

7.28 Remuneration framework

In order to align the remuneration practices in Pakistan with the international standards and best practices, the SBP issued Guidelines on Remuneration Practices through its BPRD circular no. 02 dated March 03, 2016, which were subsequently revised through BPRD Circular No. 01 dated 25 January 2017.

In accordance with these guidelines, the Bank has developed a comprehensive remuneration framework. The aim of this framework is to promote an effective risk management culture, and to ensure that the remuneration practice at the Bank is in line with the Bank's objectives taking into consideration all risks that the Bank may face. As a result, a fair, objective, transparent and sound remuneration policy, aligned with risks and responsibilities of Financial Intermediation has been put in place. The framework has been reviewed and recommended by the Board's Remuneration Committee (BRC) and approved by the Board of Directors (BoD).

Under the policy, all employees across the Bank who are materially responsible for risk taking - Material Risk Takers (MRTs), or risk controlling activities - Material Risk Controllers (MRCs) are identified. The remuneration of these MRTs and MRCs is dependent upon the achievement of performance measured through risk-adjusted balance scorecards, which include financial and non-financial / qualitative performance indicators including compliance with internal policies/ procedures/ controls, customer experience, as well as certain risk-adjusting factors (negative earners) such as regulatory compliance, frauds, complaints etc. All other individuals who do not fall within the criteria of MRTs and MRCs continue to be governed through the Bank's existing HR policy. The features of total compensation i.e. fixed remuneration as well as variable remuneration offered through performance bonuses have been disclosed in note 42 to these unconsolidated financial statements.

A certain portion of the variable compensation of the MRTs and MRCs is subjected to mandatory deferrals for a defined period, thus creating alignment between the employees' and stakeholders' interests and reinforcing that compensation is appropriately linked to longer-term sustainable performance. Deferred remuneration, especially with risk adjustments, improves risk-taking incentives because the amount ultimately received by employees can be made to depend on risk outcomes, and shall vest proportionately over the deferral period following the year of variable remuneration award, subject to any malus trigger adjustments. Under the Bank's framework, the deferred percentage decided for distribution in the year 2025 was 20 percent (2024: 20 percent), while the deferral period is set at three years (2024: three years).

The payouts for variable compensation for the performance years 2019 and onwards, for MRTs and MRCs, is based on the revised mechanism which takes into consideration factors (such as position within the organization, roles and responsibilities, risk alignment, and performance against KPIs) for differentiating the variable pays across employees or group of employees under the framework. Furthermore, the balanced scorecards used for performance assessment also take into consideration that MRCs are remunerated independently of the functions they oversee. As approved by the Board, and as allowed under the SBP's Guidelines on Remuneration Practices, the deferral amount retained for performance years is set aside and managed by the Bank internally, with a team of members from amongst the internal management responsible for oversight and subsequent payouts.

8	CASH AND BALANCES WITH TREASURY BANKS	Note	2025	2024
			----- Rupees in '000 -----	
	In hand:			
	- Local currency		13,328,988	12,338,658
	- Foreign currencies		445,309	844,077
			13,774,297	13,182,735
	With the State Bank of Pakistan in:			
	- Local currency current account	8.1	52,594,906	23,590,078
	- Foreign currency deposit accounts:			
	- Cash reserve account	8.2	1,445,155	1,386,343
	- Special cash reserve account	8.2	1,739,284	1,668,793
	- US dollar clearing account		207,114	10,999
			3,391,553	3,066,135
	With National Bank of Pakistan in:			
	- Local currency current account		2,060,709	1,255,110
	Prize Bonds		-	83
	Less: Credit loss allowance held against cash and balances with treasury banks		(458)	(189)
	Cash and balances with treasury banks - net of credit loss allowance		71,821,007	41,093,952

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8.1 This represents the amount held against Cash Reserve Requirement and Statutory Liquidity Requirement. Balance held under this account is non-remunerative.

8.2 As per BSD Circular No. 15 dated June 21, 2008, cash reserve of 5% and Special cash reserve of 6% are required to be maintained with the State Bank of Pakistan on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits). These accounts are non-remunerative in nature.

9	BALANCES WITH OTHER BANKS	Note	2025	2024
			----- Rupees in '000 -----	
	In Pakistan:			
	- In current accounts		9	9
	- In deposit accounts	9.1	169	164
			<u>178</u>	<u>173</u>
	Outside Pakistan:			
	- In current accounts		424,310	667,135
	- In deposit accounts	9.2	643,117	315,659
			<u>1,067,427</u>	<u>982,794</u>
	Less: Credit loss allowance held against balances with other banks		(43)	(303)
	Balances with other banks - net of credit loss allowance		<u>1,067,562</u>	<u>982,664</u>

9.1 These represent deposits with various Islamic banks under Musharakah and Mudarabah arrangements. The profit rate on these arrangements is 3.5% (2024: 10.41% to 11.13%) per annum.

9.2 These represent deposit placement outside Pakistan with an Islamic banking division of a foreign bank under Wakala arrangement. The profit rate on these arrangements is 4% (2024:3% to 3.5%) per annum.

10	DUE FROM FINANCIAL INSTITUTIONS	Note	2025	2024
			----- Rupees in '000 -----	
	Unsecured			
	Musharkah Placement	10.1	19,000,000	-
	Bai Muajjal Receivable			
	- with Other Financial Institutions	10.1	-	4,257,928
	Other placements		-	14,580
			<u>19,000,000</u>	<u>4,272,508</u>
	Less: Credit loss allowance held against due from financial institutions	10.3	(48)	(14,580)
	Due from financial institutions - net of credit loss allowance		<u>18,999,952</u>	<u>4,257,928</u>

10.1 The average return on this product is 10.4% (2024: 19.6%) per annum. The balance has maturity in 20 days (2024: 24 days).

10.2	Particulars of due from financial institutions	2025	2024
		----- Rupees in '000 -----	
	In local currency	19,000,000	4,272,508
	In foreign currency	-	-
		<u>19,000,000</u>	<u>4,272,508</u>

**10.3 Due from financial institutions -
Particulars of credit loss allowance**

Domestic

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

2025		2024	
Due from financial institutions	Credit loss allowance held	Due from financial institutions	Credit loss allowance held
----- Rupees in '000 -----			
19,000,000	48	4,257,928	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	14,580	14,580
-	-	14,580	14,580
19,000,000	48	4,272,508	14,580

Total

10.3.1 The Bank does not hold overseas classified placements.

**10.4 Due from financial institutions
- Credit loss allowance**

Balance at the start of the year	-	-	14,580	14,580
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	14,580	14,580
New financial assets originated or purchased	48	-	-	48
Financial assets that have been derecognised	-	-	(14,580)	(14,580)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	48	-	-	48

2025			
Stage 1	Stage 2	Stage 3	Total
----- Rupees in '000 -----			
-	-	14,580	14,580
-	-	-	-
-	-	-	-
-	-	-	-
-	-	14,580	14,580
48	-	-	48
-	-	(14,580)	(14,580)
-	-	-	-
-	-	-	-
-	-	-	-
48	-	-	48

Impact of adoption of IFRS 9	20	-	-	20
Balance at the start of the year	-	-	17,820	17,820
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	20	-	17,820	17,840
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(20)	-	(3,240)	(3,260)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	-	-	14,580	14,580

2024			
Stage 1	Stage 2	Stage 3	Total
----- Rupees in '000 -----			
20	-	-	20
-	-	17,820	17,820
-	-	-	-
-	-	-	-
-	-	-	-
20	-	17,820	17,840
-	-	-	-
(20)	-	(3,240)	(3,260)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	14,580	14,580

11 INVESTMENTS

Note **2025** 2024
----- Rupees in '000 -----

Investments - Islamic	11.1	322,887,104	345,051,553
Investments - Conventional (relating to amalgamated entity)	11.2	-	-
		322,887,104	345,051,553

11.1	Islamic Investments by type	Note	2025				2024			
			Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----										
-	Debt Instruments									
	Classified / Measured at FVOCI									
	Federal Government Shariah									
	Compliant Securities		312,555,038	-	2,181,201	314,736,239	299,226,475	-	11,799,026	311,025,501
	Non-Government Shariah									
	Compliant Securities		2,297,409	(35,934)	40,714	2,302,189	32,808,817	(35,883)	357,473	33,130,407
			314,852,447	(35,934)	2,221,915	317,038,428	332,035,292	(35,883)	12,156,499	344,155,908
	Classified / Measured at FVPL									
	Non-Government Shariah									
	Compliant Securities		50,000	-	-	50,000	50,000	-	-	50,000
-	Equity instruments									
	Classified / Measured at FVPL									
	Shares - listed companies		89,824	-	24,159	113,983	70,739	-	54,344	125,083
	Mutual Funds		52,179	-	36,582	88,761	-	-	-	-
			142,003	-	60,741	202,744	70,739	-	54,344	125,083
	Classified / Measured at FVOCI (Non-Reclassifiable)									
	Shares									
	Listed companies		2,979,238	-	1,398,217	4,377,455	685,744	-	27,998	713,742
	Foreign securities	11.8.4.1	6,820	-	11,657	18,477	6,820	-	-	6,820
			2,986,058	-	1,409,874	4,395,932	692,564	-	27,998	720,562
	Associate	11.10	627,942	(627,942)	-	-	627,942	(627,942)	-	-
	Subsidiary	1.2 & 11.9	1,200,000	-	-	1,200,000	-	-	-	-
	Total Islamic investments		319,858,450	(663,876)	3,692,530	322,887,104	333,476,537	(663,825)	12,238,841	345,051,553
11.2	Conventional Investments by type									
-	Debt Instruments									
	Classified / Measured at FVOCI									
	Non-Government Debt Securities		74,607	(74,607)	-	-	74,607	(74,607)	-	-
-	Equity instruments									
	Classified / Measured at FVPL	11.2.1								
	Shares									
	Un-listed companies		591,680	(591,680)	-	-	591,680	(591,680)	-	-
	Foreign securities		-	-	-	-	-	-	-	-
			591,680	(591,680)	-	-	591,680	(591,680)	-	-
	Associates	11.2.2&11.10	432,302	(432,302)	-	-	474,169	(474,169)	-	-
	Subsidiary	11.9	104,771	(104,771)	-	-	104,771	(104,771)	-	-
	Total conventional investments		1,203,360	(1,203,360)	-	-	1,245,227	(1,245,227)	-	-

- 11.2.1 With the adoption of IFRS 9, fully provided equity securities related to amalgamated entity previously classified as available for sale have been designated to FVPL as of January 01, 2024. Following is the break-up of such securities:

Name of Investee Company	No. of shares held
Riverstone Consultancy (Private) Limited	3,985,000
New Horizon Exploration and Production Limited	61,600,000
Pakistan Export Finance Guarantee Agency Limited	568,044

During the year the Bank has disposed off 5,400,000 unquoted foreign equity securities of Evolve Capital Limited.

- 11.2.2 During the year, the Bank has written-off its investment in KASB Capital Limited (the Company), in which the Bank held 21.78% equity interest. The Company was inoperative since the merger of defunct KASB bank with the Bank. The Company has been declared as defunct by Registrar of Companies, Mauritius.

11.3	Islamic Investments by segment	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:										
Federal Government Shariah Compliant Securities										
			312,555,038	-	2,181,201	314,736,239	299,226,475	-	11,799,026	311,025,501
Shares:										
	Listed companies	11.8.2.1	3,069,062	-	1,422,376	4,491,438	756,483	-	82,342	838,825
Non Government debt securities										
	Listed		-	-	-	-	30,535,747	-	347,003	30,882,750
	Unlisted		2,347,409	(35,934)	40,714	2,352,189	2,323,070	(35,883)	10,470	2,297,657
			2,347,409	(35,934)	40,714	2,352,189	32,858,817	(35,883)	357,473	33,180,407
Mutual Funds										
	Listed companies		52,179	-	36,582	88,761	-	-	-	-
Foreign securities										
	Equity securities	11.8.4.1	6,820	-	11,657	18,477	6,820	-	-	6,820
Associate										
	Shakarganj Food Products Limited	11.10	627,942	(627,942)	-	-	627,942	(627,942)	-	-
Subsidiary										
	BIPL Exchange Company (Private) limited	11.9	1,200,000	-	-	1,200,000	-	-	-	-
			<u>319,858,450</u>	<u>(663,876)</u>	<u>3,692,530</u>	<u>322,887,104</u>	<u>333,476,537</u>	<u>(663,825)</u>	<u>12,238,841</u>	<u>345,051,553</u>

11.4 Conventional Investments by segment

Shares:										
	Unlisted	11.8.2.2	591,680	(591,680)	-	-	591,680	(591,680)	-	-
Non Government debt securities										
	Unlisted		74,607	(74,607)	-	-	74,607	(74,607)	-	-
Foreign securities										
	Equity securities	11.8.4.1	-	-	-	-	-	-	-	-
Associate										
	KASB Capital Limited	11.10	-	-	-	-	41,867	(41,867)	-	-
	KASB Funds Limited	11.10	432,302	(432,302)	-	-	432,302	(432,302)	-	-
			432,302	(432,302)	-	-	474,169	(474,169)	-	-
Subsidiary										
	My Solutions Corporation Limited	11.9	104,771	(104,771)	-	-	104,771	(104,771)	-	-
			<u>1,203,360</u>	<u>(1,203,360)</u>	<u>-</u>	<u>-</u>	<u>1,245,227</u>	<u>(1,245,227)</u>	<u>-</u>	<u>-</u>

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11.5 Investments given as collateral

Note **2025** 2024
-----Rupees in '000-----

Federal Government Securities - GOP Ijarah Sukuk **5,261,800** 57,565,700

11.6 Credit loss allowance held against investments

11.6.1 Opening balance

1,909,052 3,306,404

Impact of adoption of IFRS 9 - 132

Charge / (reversal)

Charge for the year	51	-
Reversals for the year	-	(242,134)
	51	(242,134)

34

Amounts written off **(41,867)** -
Impact of reclassification of equity securities from FVOCI to FVPL - (1,155,350)

Closing Balance **1,867,236** 1,909,052

11.7 Particulars of credit loss allowance

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3

11.7.1 Investments - exposure

-----Rupees in '000-----

Opening balance **331,723,161** - **386,738** 307,118,700 - 628,743

New investments	94,871,957	-	-	161,112,504	-	-
Investments derecognised or repaid	(112,054,802)	-	-	(136,508,043)	-	(242,005)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-
	(17,182,845)	-	-	24,604,461	-	(242,005)

Amounts written off / charged off - - - - -

Other changes (to be specific) - - - - -

Closing balance **314,540,316** - **386,738** 331,723,161 - 386,738

11.7.2 Investments - Credit loss allowance

Opening balance **3** - **110,487** - - 352,492

Impact of adoption of IFRS 9 - - - 132 - -

New investments	29	-	-	-	-	-
Investments derecognised or repaid	-	-	-	-	-	(242,005)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-
	29	-	-	-	-	(242,005)

Amounts written off / charged off - - - - -

Changes in risk parameters (PDs/LGDs/EADs) **22** - - (130) - -

Changes (to be specific) - - - - -

Closing balance - Current year **54** - **110,487** 3 - 110,487

11.7.3 Particulars of credit loss allowance against debt securities

11.7.3.1 Category of classification

Domestic

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

2025		2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----			
314,540,317	54	331,723,161	3
-	-	-	-
-	-	-	-
-	-	-	-
386,737	110,487	386,738	110,487
386,737	110,487	386,738	110,487
Total		Total	
314,927,054	110,541	332,109,899	110,490

11.7.3.2 The Bank does not hold overseas classified debt securities.

11.8 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model

2025 Cost 2024 Cost

-----Rupees in '000-----

11.8.1 Federal government securities - Government guaranteed

Ijarah Sukuks

312,555,038 299,226,475

11.8.2 Shares

11.8.2.1 Listed companies

Agriculture, Forestry, Hunting and Fishing	788,376	272,070
Automobile and transportation equipment	24,804	-
Cement	337,854	46,985
Chemical and Pharmaceuticals	185,194	19,200
Financial	849,054	203,622
Food and Beverages	5,623	1,514
Footwear and Leather garments	103,977	46,470
Packing and Paper products	124,318	45,440
Power (electricity), Gas, Water, Sanitary	542,035	120,493
Textile	111	-
Iron & Steel	40,485	-
Health & Care	17,704	-
Others	49,527	689
	3,069,062	756,483

11.8.2.2 Unlisted companies

As at	2025		2024		
	Cost	Breakup value	Cost	Breakup value	
-----Rupees in '000-----					
Pakistan Export Finance Guarantee Agency Limited	June 30, 2010	5,680	0.50	5,680	0.50
Riverstone Consultancy (Private) Limited (Formerly KASB Invest (Private) Limited)	June 30, 2021	28,000	0.69	28,000	0.69
New Horizon Exploration and Production Limited	December 31, 2014	558,000	1.07	558,000	1.07
		591,680	2.26	591,680	2.26

11.8.3 Non government debt securities

	2025	2024
	Cost	
	-----Rupees in '000-----	
Listed		
- Unrated	-	30,535,747
Unlisted		
AAA	1,460,763	1,383,439
AA-	154,667	179,166
A+	394,848	340,000
A	25,000	-
Unrated	386,738	495,072
	2,422,016	2,397,677

11.8.4 Foreign securities

11.8.4.1 Equity securities

Unlisted

SWIFT (Society for World Wide Interbank Financial Telecommunication)	6,820	6,820
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	As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
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11.9 Details of investment in subsidiary

Unlisted

My Solutions Corporation Limited	December 31, 2013	100.00	Pakistan	69,539	10,105	14,580	(1,763)	(1,763)
BIPL Exchange Company (Private) Limited	December 31, 2025	100.00	Pakistan	1,213,925	12,031	32,837	1,894	1,894

11.10 Details of investment in associates

Unlisted

Islamic								
Shakarganj Food Products Limited	September 30, 2025	36.38	Pakistan	8,983,095	5,409,771	8,482,240	(980,687)	(360,567)
Conventional								
KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)

Note	2025	2024
	-----Rupees in '000-----	

12 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES

Islamic financing and related assets - net	12.1	291,692,045	296,038,293
Advances (relating to amalgamated entity) - net	12.2	58,564	58,957
		291,750,609	296,097,250

12.1 ISLAMIC FINANCING AND RELATED ASSETS

Note	Performing		Non Performing		Total		
	2025	2024	2025	2024	2025	2024	
----- Rupees in '000 -----							
In Pakistan							
- Running Musharakah	12.9	75,864,281	78,360,146	1,444,955	1,444,955	77,309,236	79,805,101
- Diminishing Musharakah financing and related assets - Others	12.3	91,661,399	58,097,978	4,039,670	5,863,442	95,701,069	63,961,420
- Diminishing Musharakah - Housing		21,446,826	20,731,082	1,756,203	2,120,603	23,203,029	22,851,685
- Istisna financing and related assets	12.4 & 12.10	29,391,392	27,767,369	3,533,832	3,663,174	32,925,224	31,430,543
- Diminishing Musharakah financing and related assets - Auto		26,385,709	16,734,243	678,921	642,621	27,064,630	17,376,864
- Murabahah financing and related assets	12.5 & 12.11	27,888,608	85,092,279	958,175	753,869	28,846,783	85,846,148
- Musawamah financing and related assets / Tijarah	12.6	8,611,822	7,894,372	3,905,606	3,945,758	12,517,428	11,840,130
- Investment Agency Wakalah		3,233,383	4,273,450	-	-	3,233,383	4,273,450
- Murabahah against Bills		1,107,066	285,574	192,048	192,062	1,299,114	477,636
- Ijarah financing under IFAS 2 and related assets	12.7	12,145,748	590,135	43,394	53,902	12,189,142	644,037
- Financing against Bills		2,137,622	2,694,138	-	-	2,137,622	2,694,138
- Qardh-e-Hasana		49,527	27,577	124,338	123,378	173,865	150,955
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		212,146	164,607	27,128	27,128	239,274	191,735
- Net investment in Ijarah financing in Pakistan		15,040	28,055	42,425	39,969	57,465	68,024
- Housing finance portfolio - others		-	-	15,825	7,086	15,825	7,086
- Salam	12.8	70,002	177,047	-	-	70,002	177,047
Islamic financing and related assets - gross		300,220,571	302,918,052	16,922,520	19,037,947	317,143,091	321,955,999
Credit loss allowance against islamic financing and related assets							
- Stage 1	12.16	(3,123,208)	(2,761,225)	-	-	(3,123,208)	(2,761,225)
- Stage 2		(941,448)	(468,780)	-	-	(941,448)	(468,780)
- Stage 3		-	-	(15,891,111)	(17,076,658)	(15,891,111)	(17,076,658)
		(4,064,656)	(3,230,005)	(15,891,111)	(17,076,658)	(19,955,767)	(20,306,663)
Modification loss due to IFRS 9	12.1.1	(67,991)	(94,079)	-	-	(67,991)	(94,079)
Fair value adjustment	12.1.2	(5,427,288)	(5,516,964)	-	-	(5,427,288)	(5,516,964)
Islamic financing and related assets - net of credit loss allowance and fair value adjustment		290,660,636	294,077,004	1,031,409	1,961,289	291,692,045	296,038,293

12.1.1 This represents modification loss arising from restructuring or rescheduling of financings.

12.1.2 This represents deferred fair value loss arising due to difference between the market value and the book amount of financings.

12.1.3 Islamic Financing and related assets include Rs. 16,922.520 million (2024: Rs.19,037.947 million) which have been placed under non-performing / Stage 3 status as detailed below:

2025		2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----			
161,609	55,327	264,933	47,483
434,709	198,767	1,767,062	981,368
800,477	470,502	911,076	474,167
15,525,725	15,166,515	16,094,876	15,573,640
16,922,520	15,891,111	19,037,947	17,076,658

Islamic financing and related assets - Category of classification

Domestic

Other assets especially mentioned	161,609	55,327	264,933	47,483
Substandard	434,709	198,767	1,767,062	981,368
Doubtful	800,477	470,502	911,076	474,167
Loss	15,525,725	15,166,515	16,094,876	15,573,640
	16,922,520	15,891,111	19,037,947	17,076,658

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12.1.4 The Bank does not hold overseas Islamic financing and related assets.

Performing		Non Performing		Total	
2025	2024	2025	2024	2025	2024

----- Rupees in '000 -----

12.2 ADVANCES

- Loans, cash credits, running finances, etc. - In Pakistan	-	-	3,830,933	3,991,053	3,830,933	3,991,053
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	681,292	684,295	681,292	684,295
- Net investment in finance lease - In Pakistan	-	-	549,859	553,463	549,859	553,463
Advances - gross	-	-	5,062,084	5,228,811	5,062,084	5,228,811

Credit loss allowance against advances

- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,003,520)	(5,169,854)	(5,003,520)	(5,169,854)
	-	-	(5,003,520)	(5,169,854)	(5,003,520)	(5,169,854)
Advances - net of credit loss allowance	-	-	58,564	58,957	58,564	58,957

12.2.1 Advances include Rs. 5,062.084 million (December 31, 2024 Rs. 5,228.811 million) which have been placed under non-performing / Stage 3 status as detailed below:

2025		2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

----- Rupees in '000 -----

Advances - Category of classification

Domestic

Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,062,084	5,003,520	5,228,811	5,169,854
	5,062,084	5,003,520	5,228,811	5,169,854

12.2.2 The Bank does not hold overseas advances.

12.3 Diminishing Musharakah financing and related assets - Others

Diminishing Musharakah financing	91,661,793	52,413,896
Advance against Diminishing Musharakah financing	4,039,276	11,547,524
	95,701,069	63,961,420

----- Rupees in '000 -----

12.4 Istisna financing and related assets

Istisna financing	7,578,333	5,810,579
Advance against Istisna financing	25,346,891	25,440,494
Istisna inventories	-	179,470
	32,925,224	31,430,543

12.5 Murabahah financing and related assets

Murabahah financing	19,681,246	79,105,798
Deferred murabahah income	5,362,855	3,434,967
Advances against Murabaha financing	1,720,783	3,242,983
Murabaha Inventories	2,081,899	62,400
	28,846,783	85,846,148

	Note	2025	2024
		-----Rupees in '000-----	
12.5.1 Murabaha receivable - gross	12.5.2	25,044,101	82,540,765
Less: Deferred murabaha income	12.5.4	(5,124,348)	(770,100)
Profit receivable		(238,507)	(2,664,867)
Murabaha financing		19,681,246	79,105,798
12.5.2 The movement in Murabaha financing during the year is as follows:			
Opening balance		82,540,765	10,608,734
Sales during the year		96,162,767	124,332,657
Received during the year		(153,659,431)	(52,400,626)
Adjusted during the year		-	-
Closing balance		25,044,101	82,540,765
12.5.3 Murabaha sale price (for transactions during the year)		96,162,767	124,332,657
Murabaha purchase price (for transactions during the year)		(88,053,701)	(117,822,082)
		8,109,066	6,510,575
12.5.4 Deferred Murabahah income			
Opening balance		770,100	489,934
Arising during the year		8,109,066	6,510,576
Recognized during the year		(3,754,818)	(6,230,410)
Closing balance		5,124,348	770,100
12.6 Musawamah financing and related assets / Tijarah			
Musawamah financing		5,265,349	5,724,219
Advance against Musawamah financing		187,226	59,114
Musawamah inventories		7,064,853	6,056,797
		12,517,428	11,840,130
12.7 Ijarah financing under IFAS 2 and related assets			
Net book value of assets under IFAS 2		12,064,758	643,717
Advance against Ijarah financing		124,384	320
		12,189,142	644,037
12.8 Salam			
Salam financing		-	153,525
Advance against Salam		70,002	23,522
		70,002	177,047
12.9 Running musharakah financing and related assets includes financing amounting to Rs. Nil (2024: Rs. 930 million) under Islamic Export Refinance Scheme.			
12.10 Istisna financing and related assets includes financing amounting to Rs. Nil (2024: Rs. 37 million) and advance amounting to Rs. Nil (2024: Rs. 411 million) under Islamic Export Refinance Scheme.			
12.11 Murabahah financing and related assets includes financing amounting to Rs Nil (2024: Rs.0.061 million) under Islamic Export Refinance Scheme.			

12.12 Break up of net investment in Ijarah financing and Finance lease

	2025	2024
	----- Rupees in '000-----	
Islamic financing and related assets	57,465	68,024
Advances	549,859	553,463
	607,324	621,487

12.12.1 Net investment in Ijarah financing in Pakistan and finance lease

	2025				2024			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	----- Rupees in '000 -----							
Ijarah rentals receivable	578,242	-	-	578,242	592,405	-	-	592,405
Residual value	73,328	-	-	73,328	73,328	-	-	73,328
Minimum Ijarah payments	651,570	-	-	651,570	665,733	-	-	665,733
Profit for future periods	(44,246)	-	-	(44,246)	(44,246)	-	-	(44,246)
Present value of minimum Ijarah payments	607,324	-	-	607,324	621,487	-	-	621,487

12.13 Ijarah Assets

	2025							
	Cost			Accumulated depreciation			Book value as at December 31, 2025	Rate of Depreciation %
	As at January 01, 2025	Addition / (deletions)	As at December 31, 2025	As at January 01, 2025	Charge / (deletions)	As at December 31, 2025		
	----- Rupees in '000 -----							
Plant and Machinery	299,200	10,962,941 (201,656)	11,060,485	260,848	108,058 (173,062)	195,844	10,864,641	20-33.33
Vehicles	1,434,818	989,947 (663,368)	1,761,397	829,453	197,543 (465,716)	561,280	1,200,117	20-33.33
	1,734,018	11,952,888 (865,024)	12,821,882	1,090,301	305,601 (638,778)	757,124	12,064,758	

	2024							
	Cost			Accumulated depreciation			Book value as at December 31, 2024	Rate of Depreciation %
	As at January 01, 2024	Addition / (deletions)	As at December 31, 2024	As at January 01, 2024	Charge / (deletions)	As at December 31, 2024		
	----- Rupees in '000 -----							
Plant and Machinery	299,200	-	299,200	247,818	13,030	260,848	38,352	20-33.33
Vehicles	1,132,172	380,920 (78,274)	1,434,818	748,272	140,069 (58,888)	829,453	605,365	20-33.33
	1,431,372	380,920 (78,274)	1,734,018	996,090	153,099 (58,888)	1,090,301	643,717	

12.13.1 Future Ijarah payments receivable

	2025				2024			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	----- Rupees in '000 -----							
Ijarah rentals receivable	1,475,131	7,646,287	-	9,121,418	282,312	183,313	-	465,626

2025 2024

----- Rupees in '000 -----

12.14 Particulars of Islamic financing, related assets and advances - gross

In local currency	309,867,426	322,877,829
In foreign currency	12,337,749	4,306,981
	<u>322,205,175</u>	<u>327,184,810</u>

12.14.1 Financing to Women, Women-owned and Managed Enterprises

Women	3,289,126	2,842,695
Women Owned and Managed Enterprises	2,308,751	5,682,401
	<u>5,597,877</u>	<u>8,525,096</u>

12.14.2 Gross financing disbursed to Women, Women-owned and Managed Enterprises

Women	985,682	558,796
Women Owned and Managed Enterprises	3,315,745	5,281,435
	<u>4,301,427</u>	<u>5,840,231</u>

12.15 Particulars of credit loss allowance

12.15.1 Islamic financing, related assets and advances - Exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees in '000 -----					
Opening balance	293,693,573	9,224,479	24,266,758	208,066,911	23,077,362	22,890,642
New financing	145,523,930	528,693	115,295	139,297,187	3,255,728	28,484
Financing derecognised or repaid	(148,237,159)	(1,144,740)	(1,765,654)	(66,039,661)	(1,280,608)	(2,111,235)
Transfer to stage 1	7,401,228	(7,182,085)	(219,143)	15,290,890	(15,131,933)	(158,957)
Transfer to stage 2	(2,992,508)	4,367,873	(1,375,365)	(1,723,397)	2,556,297	(832,900)
Transfer to stage 3	(483,585)	(479,128)	962,713	(1,198,357)	(3,252,367)	4,450,724
	1,211,906	(3,909,387)	(2,282,154)	85,626,662	(13,852,883)	1,376,116
Closing balance	<u>294,905,479</u>	<u>5,315,092</u>	<u>21,984,604</u>	<u>293,693,573</u>	<u>9,224,479</u>	<u>24,266,758</u>

12.15.2 Islamic financing, related assets and advances - Credit loss allowance

Opening balance	2,761,225	468,780	22,246,512	-	-	-
Impact of adoption of IFRS 9	-	-	-	1,477,937	1,439,302	21,459,788
New financing	1,292,693	23,349	9,710	1,042,546	34,544	19,994
Financing derecognised or repaid	(207,216)	(36,750)	(743,877)	(540,797)	(810,332)	(4,363,215)
Transfer to stage 1	295,043	(105,239)	(189,804)	476,088	(468,434)	(7,654)
Transfer to stage 2	(26,412)	781,462	(755,050)	(260,243)	270,625	(10,382)
Transfer to stage 3	(21,481)	(30,428)	51,909	(933,971)	(2,080,271)	3,014,242
	1,332,627	632,394	(1,627,112)	(216,377)	(3,053,868)	(1,347,015)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(970,644)	(159,726)	275,231	1,499,665	2,083,346	2,133,739
Closing balance	<u>3,123,208</u>	<u>941,448</u>	<u>20,894,631</u>	<u>2,761,225</u>	<u>468,780</u>	<u>22,246,512</u>

12.15.3 Islamic Financing, related assets and advances - Credit loss allowance details Internal / External rating / stage classification

Outstanding gross exposure

Performing - Stage 1

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Rated	256,955,716	-	-	258,216,213	-	-
Non Rated	37,949,763	-	-	35,477,360	-	-

Under Performing - Stage 2

Rated	-	4,602,548	-	-	8,025,012	-
Non Rated	-	712,544	-	-	1,199,467	-

Non-performing - Stage 3

OAEM	-	-	161,609	-	-	264,933
Substandard	-	-	434,709	-	-	1,767,062
Doubtful	-	-	800,477	-	-	911,076
Loss	-	-	20,587,809	-	-	21,323,687
	-	-	21,984,604	-	-	24,266,758
Total	294,905,479	5,315,092	21,984,604	293,693,573	9,224,479	24,266,758

Corresponding ECL

Stage 1 and stage 2	3,123,208	941,448	-	2,761,225	468,780	-
Stage 3	-	-	20,894,631	-	-	22,246,512
	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512

12.16 Particulars of credit loss allowances held against Islamic financing, related assets and advances

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
12.16.1 Opening balance	2,761,225	468,780	22,246,512	25,476,517	-	-	-	-
Impact of adoption of IFRS 9	-	-	-	-	1,444,830	1,382,780	21,459,788	24,287,398
Charge for the year	1,937,955	781,952	996,033	3,715,940	1,605,492	41,831	1,807,156	3,454,479
Reversals for the year	(1,575,972)	(309,284)	(2,347,914)	(4,233,170)	(289,097)	(955,831)	(1,020,432)	(2,265,360)
	361,983	472,668	(1,351,881)	(517,230)	1,316,395	(914,000)	786,724	1,189,119
Amount written off	-	-	-	-	-	-	-	-
Closing balance	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
12.16.2 Islamic	3,123,208	941,448	15,891,111	19,955,767	2,761,225	468,780	17,076,658	20,306,663
Conventional	-	-	5,003,520	5,003,520	-	-	5,169,854	5,169,854
	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
12.16.3 Particulars of credit loss allowance against advances								
In local currency	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
In foreign currencies	-	-	-	-	-	-	-	-
	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517

12.16.4 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at December 31, 2025 amounts to Rs. 236.2 million (December 31, 2024: Rs. 351.907 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 111 million (December 31, 2024: Rs. 161.877 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to shareholders.

	Note	2025	2024
-----Rupees in '000-----			
12.16.5 Credit loss allowance / reversal net of fair value adjustment taken to the profit and loss account			
Gross reversals for the year		4,233,170	2,265,360
Charge for the year		(3,715,940)	(3,454,479)
		517,230	(1,189,119)
Fair value adjusted - net		-	-
Net charge taken to the profit and loss account	34	517,230	(1,189,119)

12.17 Particulars of write offs

12.17.1 Against provisions		77	-
Directly charged to the profit and loss account		76	-
		153	-
12.17.2 Write offs Rs. 500,000 and above			
- Domestic		-	-
- Overseas		-	-
Write offs below Rs. 500,000		153	-
		153	-

12.17.3 Details of Financings Write-off of Rs. 500,000 and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the Statement in respect of written-off financings or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended is given in Annexure-I.

	Note	2025	2024
-----Rupees in '000-----			
12.18 SBP other refinance schemes			
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		6,030,892	7,272,740
Islamic Long-Term Financing Facility		1,146,590	1,356,372
Islamic refinance scheme for payment of wages and salaries		12,000	54,822
RM EFS - Rupee Based Discounting (TFA)		12,064,463	9,756,938
Islamic refinance scheme for Renewable Energy		518,024	610,996
Islamic refinance scheme for combating COVID (IRFCC)		50,000	123,754
Islamic refinance facility for Modernization of SMEs		113,591	85,341
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		137,823	204,027
Islamic Credit Guarantee Scheme For Women Entrepreneur		192,984	127,855
		20,266,367	19,592,845

13 PROPERTY AND EQUIPMENT

Capital work-in-progress	13.1	3,785,489	1,659,567
Property and equipment	13.2	21,619,968	13,443,350
		25,405,457	15,102,917

13.1 Capital work-in-progress

Advances to suppliers and contractors		412,012	468,844
Advance for acquiring properties and office premises		3,373,477	1,190,723
		3,785,489	1,659,567

13.2 Property and Equipment

At January 1

2025					
Leasehold land	Leasehold building	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Total
----- Rupees in '000 -----					
2,873,500	4,513,597	6,600,229	7,174,763	397,125	21,559,214
-	(881,684)	(2,654,626)	(4,474,715)	(104,839)	(8,115,864)
2,873,500	3,631,913	3,945,603	2,700,048	292,286	13,443,350

For the year

Opening net book value	2,873,500	3,631,913	3,945,603	2,700,048	292,286	13,443,350
Additions	3,133,173	-	1,696,361	3,600,788	36,844	8,467,166
Movement in surplus on assets revalued during the year	1,566,091	247,597	-	-	-	1,813,688
Other adjustments / transfers	-	(435,416)	-	-	-	(435,416)
Deficit on revaluation recognized through profit and loss account - net	-	-	-	-	-	-

Disposals	(451,000)	-	(18,675)	(159,333)	(29,033)	(658,041)
Write offs	-	-	(75,596)	-	-	(75,596)
	(451,000)	-	(94,271)	(159,333)	(29,033)	(733,637)

Movement in Accumulated Depreciation

Depreciation charge	-	(233,191)	(651,181)	(1,324,819)	(79,156)	(2,288,347)
Reversal of Depreciation on revaluation	-	679,459	-	-	-	679,459
Reversal of depreciation on disposal	-	-	13,870	155,636	29,039	198,545
Reversal of depreciation on write off	-	-	39,744	-	-	39,744
Other adjustments / transfers	-	435,416	-	-	-	435,416
	-	881,684	(597,567)	(1,169,183)	(50,117)	(935,183)

Closing net book value	7,121,764	4,325,778	4,950,126	4,972,320	249,980	21,619,968
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At December 31

Cost / Revalued amount	7,121,764	4,325,778	8,202,319	10,616,218	404,936	30,671,015
Accumulated depreciation	-	-	(3,252,193)	(5,643,898)	(154,956)	(9,051,047)
Net book value	7,121,764	4,325,778	4,950,126	4,972,320	249,980	21,619,968
Depreciation rate (%)	-	2	10-20	15-25	20	

	2024					
	Leasehold land	Leasehold building	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Total
	----- Rupees in '000 -----					
At January 1						
Cost / Revalued amount	2,873,500	4,513,597	4,657,339	5,556,497	175,148	17,776,081
Accumulated depreciation	-	(525,924)	(2,300,965)	(3,805,381)	(61,954)	(6,694,224)
Net book value	<u>2,873,500</u>	<u>3,987,673</u>	<u>2,356,374</u>	<u>1,751,116</u>	<u>113,194</u>	<u>11,081,857</u>
For the year						
Opening net book value	2,873,500	3,987,673	2,356,374	1,751,116	113,194	11,081,857
Additions	-	-	2,084,171	1,768,861	225,794	4,078,826
Disposals	-	-	(48,109)	(150,595)	(3,817)	(202,521)
Write offs	-	-	(93,172)	-	-	(93,172)
	-	-	(141,281)	(150,595)	(3,817)	(295,693)
Movement in Accumulated Depreciation						
Depreciation charge	-	(355,760)	(474,101)	(819,258)	(46,702)	(1,695,821)
Reversal of depreciation on disposal	-	-	40,600	149,924	3,817	194,341
Reversal of depreciation on write off	-	-	79,840	-	-	79,840
	-	(355,760)	(353,661)	(669,334)	(42,885)	(1,421,640)
Closing net book value	<u>2,873,500</u>	<u>3,631,913</u>	<u>3,945,603</u>	<u>2,700,048</u>	<u>292,286</u>	<u>13,443,350</u>
At December 31						
Cost / Revalued amount	2,873,500	4,513,597	6,600,229	7,174,763	397,125	21,559,214
Accumulated depreciation	-	(881,684)	(2,654,626)	(4,474,715)	(104,839)	(8,115,864)
Net book value	<u>2,873,500</u>	<u>3,631,913</u>	<u>3,945,603</u>	<u>2,700,048</u>	<u>292,286</u>	<u>13,443,350</u>
Depreciation rate (%)	-	2	10-20	15-25	20	

13.2.1 Details of property and equipment disposed-off

Details of disposal of fixed assets to the Chief Executive Officer or to a Director or to Executives, irrespective of the value, and to any other person having aggregate book value of more than Rs. 1 million and particulars of each asset, which has book value of Rs. 250,000 or above during the year are disclosed in 'Annexure II'.

13.3 Cost of fully depreciated properties and equipment that are still in the Bank's use, as at December 31, 2025, amounted to Rs. 4,928.796 million (2024: Rs. 7,529.201 million).

13.4 During the year ended December 31, 2025, the Bank's land and buildings on leasehold land were revalued by Pakistan Inspection Co Pvt Ltd and Sadruddin Associates (Private) Limited on the basis of their professional assessment of the present market value. As a result of revaluation the market value of land and buildings on leasehold land were determined at Rs. 11,447.540 million. The total surplus arising against revaluation of fixed assets as of December 31, 2025 amounts to Rs. 4,672.710 million.

Had there been no revaluation, the carrying amount of revalued assets at December 31, 2025 would have been as follows:

	Rupees in '000
Land	5,506,369
Building	1,268,463
	<u>6,774,832</u>

14 RIGHT-OF-USE ASSETS

At January 1,

	2025			2024		
	Buildings	Others	Total	Buildings	Others	Total
Cost	9,765,458	-	9,765,458	7,693,776	-	7,693,776
Accumulated Depreciation	(5,450,923)	-	(5,450,923)	(4,127,509)	-	(4,127,509)
Net Carrying amount as at January 1,	4,314,535	-	4,314,535	3,566,267	-	3,566,267

	2025			2024		
	Buildings	Others	Total	Buildings	Others	Total
Additions during the year	2,075,475	-	2,075,475	2,336,666	-	2,336,666
Modification Impact	1,151,946	-	1,151,946	-	-	-
Deletions during the year	(99,744)	-	(99,744)	(264,984)	-	(264,984)
Depreciation charge for the year	(1,786,887)	-	(1,786,887)	(1,323,414)	-	(1,323,414)
Net Carrying amount as at December 31,	5,655,325	-	5,655,325	4,314,535	-	4,314,535

15 INTANGIBLE ASSETS

At January 1

	2025				
	Computer software	Core deposits	Membership and Subscription	Goodwill (note 15.2)	Total
Cost	2,102,306	40,600	56,824	2,944,297	5,144,027
Accumulated amortization and impairment	(1,057,053)	(22,255)	(14,558)	-	(1,093,866)
Net book value	1,045,253	18,345	42,266	2,944,297	4,050,161

For the year

Opening net book value	1,045,253	18,345	42,266	2,944,297	4,050,161
Additions:					
- directly purchased	1,062,845	-	2,820	-	1,065,665
Disposals	-	-	(5,600)	-	(5,600)
Amortization charge	(403,929)	(2,245)	(11,872)	-	(418,046)
Amortization on Disposal	-	-	2,567	-	2,567
Closing net book value	1,704,169	16,100	30,181	2,944,297	4,694,747

At December 31

Cost	3,165,151	40,600	54,044	2,944,297	6,204,092
Accumulated amortization and impairment	(1,460,982)	(24,500)	(23,863)	-	(1,509,345)
Net book value	1,704,169	16,100	30,181	2,944,297	4,694,747
Rate of amortization (%)	20	6	10	-	
Useful life (years)	5	17	10	-	

At January 1

	2024				
	Computer software	Core deposits	Membership and Subscription	Goodwill (Note 15.2)	Total
Cost	1,412,629	40,600	46,024	2,944,297	4,443,550
Accumulated amortization and impairment	(796,428)	(20,010)	(7,627)	-	(824,065)
Net book value	616,201	20,590	38,397	2,944,297	3,619,485

For the year

Opening net book value	616,201	20,590	38,397	2,944,297	3,619,485
Additions:					
- directly purchased	689,677	-	33,600	-	723,277
Disposals	-	-	(22,800)	-	(22,800)
Amortization charge	(260,625)	(2,245)	(12,157)	-	(275,027)
Amortization on disposal	-	-	5,226	-	5,226
Closing net book value	1,045,253	18,345	42,266	2,944,297	4,050,161

At December 31

Cost	2,102,306	40,600	56,824	2,944,297	5,144,027
Accumulated amortization and impairment	(1,057,053)	(22,255)	(14,558)	-	(1,093,866)
Net book value	1,045,253	18,345	42,266	2,944,297	4,050,161
Rate of amortization (%)	20	6	10	-	
Useful life (years)	5	17	10	-	

- 15.1** The cost of fully amortized intangible assets that are still in the Bank's use, as at December 31, 2025 amounted to Rs. 658.071 million (2024: Rs. 595.519 million).
- 15.2** This represents goodwill recognized upon acquisition of defunct KASB Bank Limited Undertakings based on fair values of assets and liabilities. The Bank carried out Goodwill impairment testing as at December 31, 2025.

Key assumptions used in value in use calculation

The recoverable amount of Goodwill has been determined based on value in use calculation, using cash flow projections based on financial projections approved by the management of the Bank covering a five year period. The discount rates applied to cash flows beyond five years are extrapolated using a terminal growth rate. The following rates are used by the Bank.

	%
Discount rate	16.69
Terminal growth rate	5.00

The calculation of value in use is most sensitive to following assumptions:

a) Profit margins

Profit margins are based on prevailing industry trends and anticipated market conditions.

b) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using cost of equity of the Bank.

c) Key business assumptions

The assumptions are important as they represent management assessment of how the Bank's financial position might change over the projected period. Based on the expansion plans, management expects aggressive growth in financing, investments and deposits during the projected periods and thereafter stabilization in line with industry trends.

Management believes that any significant change in key assumptions, on which Goodwill's recoverable amount is based, may impact the carrying amount to further exceed its recoverable amount. Value in use calculation of Goodwill are sensitive to changes in assumptions for profit rate spreads, Non-Funded Income (NFI), long term growth rates and discount rates.

d) Sensitivity to changes in assumption

The estimated recoverable amount of Goodwill exceeds its carrying amount by approximately Rs. 12,718.114 million. Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

Changes required individually for the carrying amount to equal recoverable amount.

	%
Discount rate	(16.49)
Terminal growth rate	(5.00)

15.3 The amount of goodwill that will be deductible for taxable purposes is Rs. 5,896.831 million. The difference represents the fair value benefit of the financial assistance granted by the State Bank of Pakistan.

16 DEFERRED TAX ASSETS / (LIABILITIES)

		2025			
		At January 01, 2025	Recognized in P&L	Recognized in OCI	At December 31, 2025
----- Rupees in '000 -----					
Deductible Temporary Differences on:					
		171,659	425,532	-	597,191
	Credit loss allowance against investments				
	Credit loss allowance against non-performing Islamic financing, related assets and advances	5,306,162	1,082,146	-	6,388,308
	Modification and Fair value adjustments	17,688	17,667	-	35,355
	Other credit loss allowance	794,103	(658,700)	-	135,403
	Ijarrah financing and related assets	43,798	(170,912)	-	(127,114)
	Right of Use Assets	-	653,749	-	653,749
	Others	490,823	950,505	(82,874)	1,358,454
		6,824,233	2,299,987	(82,874)	9,041,346
Taxable Temporary Differences on:					
	Fair value adjustments relating to net assets acquired upon amalgamation	(230,539)	(95,517)	-	(326,056)
	Surplus on revaluation of FVOCI Investment	(6,335,938)	-	4,447,407	(1,888,531)
	Surplus on revaluation of FVTPL Investment	(28,259)	(3,326)	-	(31,585)
	Surplus on revaluation of property and equipment	(1,042,621)	-	(1,080,865)	(2,123,486)
	Surplus on revaluation of non-banking assets	(17,852)	-	8	(17,844)
	Accelerated tax depreciation	(553,938)	304,977	-	(248,961)
		(8,209,147)	206,134	3,366,550	(4,636,463)
		(1,384,914)	2,506,121	3,283,676	4,404,883

		2024					
		At January 01, 2024	Impact of adoption of IFRS 9	At January 01, 2024 (Revised)	Recognized in P&L	Recognized in OCI	At December 31, 2024
----- Rupees in 000 -----							
Deductible Temporary Differences on:							
		161,754	69	161,823	9,836	-	171,659
	Credit loss allowance against investments						
	Credit loss allowance against non-performing Islamic financing, related assets and advances	5,516,884	348,197	5,865,081	(558,919)	-	5,306,162
	Modification and Fair value adjustments	-	(50,633)	(50,633)	68,321	-	17,688
	Other credit loss allowance	-	6,109	6,109	787,994	-	794,103
	Ijarrah financing and related assets	18,802	-	18,802	24,996	-	43,798
	Others	-	-	-	493,872	(3,049)	490,823
		5,697,440	303,742	6,001,182	826,100	(3,049)	6,824,233
Taxable Temporary Differences on:							
	Fair value adjustments relating to net assets acquired upon amalgamation	(337,060)	-	(337,060)	106,521	-	(230,539)
	Surplus on revaluation of FVOCI Investment	(3,080,546)	180,600	(2,899,946)	-	(3,435,992)	(6,335,938)
	Surplus on revaluation of FVTPL Investment	-	(180,600)	(180,600)	152,341	-	(28,259)
	Surplus on revaluation of property and equipment	(1,365,244)	-	(1,365,244)	134,021	188,602	(1,042,621)
	Surplus on revaluation of non-banking assets	(33,473)	-	(33,473)	143	15,478	(17,852)
	Accelerated tax depreciation	(553,466)	-	(553,466)	(472)	-	(553,938)
	Others	(92,117)	-	(92,117)	92,117	-	-
		(5,461,906)	-	(5,461,906)	484,671	(3,231,912)	(8,209,147)
		235,534	303,742	539,276	1,310,771	(3,234,961)	(1,384,914)

17 OTHER ASSETS	Note	2025	2024
		----- Rupees in '000 -----	
Profit / return accrued in local currency		12,175,209	17,627,108
Profit / return accrued in foreign currency		105,953	31,482
Advances, deposits, advance rent and other prepayments		2,170,852	1,349,803
Advance taxation		1,286,582	-
Prepaid staff cost		3,291,509	3,045,731
Non-banking assets acquired in satisfaction of claims	17.1	1,348,473	1,450,462
Takaful claim receivable		53,951	35,305
Receivable against takaful and registration charges		729,955	251,519
Receivable against First WAPDA Sukuk	17.2	50,000	50,000
Acceptances		3,411,859	1,648,773
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		-	43,305
Clearing and settlement accounts		-	1,189,680
Others		1,083,832	1,206,804
		<u>25,708,175</u>	<u>27,929,972</u>
Less: Credit loss allowance held against other assets	17.3	<u>(1,092,865)</u>	<u>(1,116,865)</u>
Other Assets - net of credit loss allowance		<u>24,615,310</u>	<u>26,813,107</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	25	<u>40,922</u>	<u>69,958</u>
Other assets - total		<u>24,656,232</u>	<u>26,883,065</u>
17.1 Market Value of non-banking assets acquired in satisfaction of claims		<u>1,085,484</u>	<u>1,214,658</u>

The properties of the Bank have been revalued by independent professional values as at December 31, 2025. The revaluation was carried out by Pakistan Inspection Co.(Pvt) Limited on the basis of professional assessment of present market values which did not result in an increase in surplus.

Impairment against non-banking assets acquired in satisfaction of claims amounting to Rs. 303.912 million (2024: Rs. 305.762 million) is included in provision held against other assets.

17.1.1 Non-banking assets acquired in satisfaction of claims	Note	2025	2024
		-----Rupees in '000-----	
Opening Balance		1,214,658	1,215,340
Revaluation	25.2	(1,307)	1,910
Disposals		(129,932)	-
Depreciation	32	(1,280)	(2,327)
Reversal of impairment		1,849	-
Other Adjustments		1,512	-
Incremental Depreciation	25.2	(16)	(265)
Closing Balance		<u>1,085,484</u>	<u>1,214,658</u>

17.1.2 Gain on disposal of non-banking assets acquired in satisfaction of claims

Disposal proceeds	143,750	-
Less:		
- Cost	112,750	-
- Revaluation surplus	27,713	-
- Impairment/Depreciation	(10,531)	-
	<u>129,932</u>	-
Gain	<u>13,818</u>	-

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- 17.2** The Bank had purchased 10,000 certificates on June 25, 2009 of first WAPDA Sukuk through a negotiated transaction for a cash consideration of Rs. 50.228 million having face value of Rs. 50 million. These certificates were available in the seller's Central Depository Company (CDC) account and on completion of the transaction were transferred to the Bank's CDC account. However, the periodic Ijarah Rental dues were not paid to the Bank on the plea that there exists certain discrepancy with respect to ownership of the asset. The amount has been shown under "other assets" as the certificates were matured in 2012 as per the terms of the Sukuk issue. The Bank has not recognized any provision in respect of the above amount as it is fully secured through a lien over a deposit account.

17.3 Credit loss allowance held against other assets

	Note	2025	2024
		-----Rupees in '000-----	
Advances, deposits, advance rent & other prepayments		50,842	50,842
Non banking assets acquired in satisfaction of claims		303,911	305,762
Profit / return accrued		78,158	78,887
Others		659,954	681,374
	17.3.1	<u>1,092,865</u>	<u>1,116,865</u>

17.3.1 Movement in Credit loss allowance held against other assets

Opening balance		1,116,865	921,326
Impact of adoption of IFRS 9		-	99,693
		-	-
Charge for the year		12,851	174,755
Reversals during the year		(36,851)	(78,409)
		(24,000)	96,346
Amount written off		-	(500)
Closing balance		<u>1,092,865</u>	<u>1,116,865</u>

18 BILLS PAYABLE

In Pakistan		9,895,158	13,773,529
Outside Pakistan		-	-
		<u>9,895,158</u>	<u>13,773,529</u>

	Note	2025	2024
		----- Rupees in '000 -----	
19 DUE TO FINANCIAL INSTITUTIONS			
Secured			
Due to State Bank of Pakistan			
Acceptances from SBP under Mudaraba		-	21,096,917
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	19.1	5,713,381	6,914,923
Islamic Export Finance Scheme - Rupee based discounting	19.2	3,776,796	5,210,889
Acceptances for financial assistance		-	4,827,290
Acceptances under Islamic Export Refinance Scheme		-	1,053,000
Islamic Long-Term Financing Facility	19.1	772,102	902,471
Islamic refinance scheme for Renewable Energy	19.1	467,017	555,900
Islamic refinance scheme for combating COVID (IRFCC)	19.1	50,000	116,667
Islamic Refinance Scheme for Working Capital Financing	19.1	50,000	-
Islamic Refinance Scheme for Modernization of SMEs	19.1	75,158	63,186
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	19.1	137,907	76,784
Islamic Credit Guarantee Scheme for Women Entrepreneur	19.1	181,658	111,757
		11,224,019	40,929,784
Musharakah Acceptance		-	33,085,000
Refinance facility for Islamic Mortgage	19.3	4,241,983	3,340,466
Total secured		15,466,002	77,355,250
Unsecured			
Musharakah Acceptance		-	11,350,000
Overdrawn nostro accounts		499,301	584,854
Others		-	16,000
Total unsecured		499,301	11,950,854
Fair value adjustment		(1,352,195)	(1,643,943)
		14,613,108	87,662,161
19.1	These acceptances are on profit and loss sharing basis which have been invested in general pool of the Bank and are secured against demand promissory notes executed in favor of State Bank of Pakistan (SBP).		
19.2	These acceptances are on a profit and loss sharing basis and are secured against demand promissory notes executed in favor of SBP. A limit of Rs. 5,234 million (2024: Rs. 5,234 million) was allocated to the Bank by the SBP under Islamic Export Refinance Scheme - Rupee Based Discounting for the financial year ended December 31, 2025.		
19.3	The agreements are on a profit and loss sharing basis and are secured against housing finance portfolio. The profit rate on these agreements is ranging from 9% to 13.97% (2024: 8.5% to 13.97%) per annum.		
19.4	Particulars of due to financial institutions with respect to currencies	2025	2024
		----- Rupees in '000 -----	
In local currency		14,113,807	87,077,307
In foreign currencies		499,301	584,854
		14,613,108	87,662,161

20 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	266,256,209	10,825,180	277,081,389	198,501,518	8,639,600	207,141,118
Savings deposits	146,666,403	3,405,475	150,071,878	147,266,628	3,746,306	151,012,934
Term deposits	175,196,427	14,461,464	189,657,891	175,856,996	15,345,465	191,202,461
Margin deposits	9,417,771	101,507	9,519,278	5,204,744	94,990	5,299,734
	597,536,810	28,793,626	626,330,436	526,829,886	27,826,361	554,656,247
Financial Institutions						
Current deposits	1,245,558	16,985	1,262,543	410,164	13,779	423,943
Savings deposits	32,370,214	-	32,370,214	3,461,154	-	3,461,154
Term deposits	220,000	-	220,000	636,442	-	636,442
Margin deposits	146	-	146	146	-	146
	33,835,918	16,985	33,852,903	4,507,906	13,779	4,521,685
	631,372,728	28,810,611	660,183,339	531,337,792	27,840,140	559,177,932

20.1 Composition of deposits

	2025	2024
----- Rupees in '000 -----		
Individuals	160,312,234	172,157,317
Government (Federal and Provincial)	19,013,856	14,540,561
Public Sector Entities	19,009,858	13,229,983
Banking Companies	339,512	4,910
Non-Banking Financial Institutions	33,513,391	4,516,775
Private Sector	427,994,488	354,728,386
	660,183,339	559,177,932

20.2 Total deposits includes eligible deposits under deposit protection mechanism amounting to Rs. 312,091.832 million (2024: Rs.232,123.358 million).

21 LEASE LIABILITIES

	Note	2025	2024
----- Rupees in '000 -----			
Outstanding amount at the start of the year		4,839,747	4,252,295
Additions during the year		1,892,678	2,336,666
Modification Impact		1,485,305	-
Deletions during the year		(122,248)	-
Lease payments including profit		(2,384,077)	(2,555,969)
Finance charges on leased assets		892,690	806,755
Outstanding amount at the end of the year	21.1	6,604,095	4,839,747

21.1 Contractual maturity of lease liabilities

Not later than one year	265,443	344,239
Long-term lease liabilities		
- 1 to 5 years	6,338,652	4,495,508
- 5 to 10 years	-	-
- More than 10 years	-	-
	6,338,652	4,495,508
	6,604,095	4,839,747

22 SUBORDINATED SUKUK

	Note	2025	2024
		-----Rupees in '000-----	
ADT-1 Sukuk Issue I	22.1.1	2,000,000	2,000,000
ADT-1 Sukuk Issue II	22.1.2	1,000,000	1,000,000
		3,000,000	3,000,000

22.1 The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuku under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

22.1.1 Salient features of the ADT-1 sukuk issue I are as follows:

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	The Bank may, at its sole discretion, call the Sukuku, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuku shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

22.1.2 Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	The Bank may, at its sole discretion, call the Sukuku, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuku shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

23 OTHER LIABILITIES	Note	2025	2024
		-----Rupees in '000-----	
Profit / return payable in local currency		5,884,386	7,269,082
Profit / return payable in foreign currencies		221,334	297,238
Accrued expenses		4,212,943	3,019,169
Deferred Murabahah Income Financing, IERS and Others		5,169,867	643,923
Payable to defined benefit plan		4,677	4,677
Payable to defined contribution plan		2,871	54,371
Defined benefit plan liabilities	40.4	487,490	525,474
Security deposits against Ijarah		421,304	462,136
Credit loss allowance against off-balance sheet obligations	23.1	260,389	378,109
Acceptances		3,411,859	1,648,773
Current taxation (provisions less payments)		-	1,512,189
Withholding taxes payable		587,605	322,562
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		46,453	-
Sundry creditors		1,179,285	903,578
Payable to brokers against purchase of shares - net		12,307	82,786
Charity payable	23.2	161,109	95,696
Retention money payable		100,581	83,990
Workers' welfare fund	23.3	1,574,870	1,289,902
Dividend Payable		50,268	33,979
Clearing and settlement accounts		3,076,931	-
Others		1,566,741	1,058,832
		<u>28,433,270</u>	<u>19,686,466</u>
23.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		378,109	85,975
Impact on adoption of IFRS 9		-	130,338
Charge for the year		63,198	161,796
Reversals for the year		(180,918)	-
		(117,720)	161,796
Amount written off		-	-
Closing balance	23.1.1	<u>260,389</u>	<u>378,109</u>

23.1.1 This includes overdue non-funded facilities that could not be transferred to funded facilities due to litigation.

	2025	2024
	-----Rupees in '000-----	
23.2 Charity payable		
Opening balance	95,696	29,550
Additions during the year		
- Received from customers on account of delayed payment	149,523	61,262
- Shariah non-compliant income	6,145	38,258
- Dividend purification	1,878	146
- Profit on charity saving account	6,567	3,180
	164,113	102,846
Distribution of charity		
- Education	(51,510)	(14,000)
- Community development	(33,100)	(13,000)
- Health	(14,090)	(9,700)
- Islamic microfinance program	-	-
23.2.1	(98,700)	(36,700)
Closing balance	161,109	95,696

23.2.1 Charity was paid to the following:

Saylani Welfare International Trust	5,000	8,000
Dawat E Islami Trust	-	7,000
IDA RIEU Welfare Association	-	5,000
Indus Hospital & Health Network	90	5,000
SHED Foundation	-	3,700
Friend Welfare Trust	-	2,000
Rashid Memorial Welfare Organisation	-	2,000
Bait us Salam Welfare Trust	1,000	1,000
Sir Syed College Of Medical Sciences Trust	-	1,000
The Path Educational Society	1,000	1,000
Saleem Memorial Trust Hospital	-	1,000
Abdul Majid Foundation	38,000	-
SHED Foundation	6,200	-
The Youth Catalyst Pakistan	5,850	-
Al Mujtaba Education Trust	5,010	-
NJV School Management Board	5,000	-
Saleem Memorial Trust Hospital	5,000	-
Thar Kunwaa Foundation	4,000	-
Al Khidmat Foundation	3,000	-
Dow University Of Health Science (DUHS)	3,000	-
Hijaz Hospital Trust	3,000	-
The Pakistan Association of the Deaf	50	-
Naimat Saleem Trust	3,000	-
The Patients Behbud Society for AKUH	3,000	-
Suraia Azeem Trust	3,000	-
Teach The World Foundation	1,500	-
Khadija Tul Kubra Welfare Trust Association	1,000	-
Lok Sahaita Trust	1,000	-
Pakistan Education Endowment Fund (PEEF)	1,000	-
	98,700	36,700

23.2.2 Charity was not paid to any staff of the Bank or to any individual / organization in which a director or his spouse had any interest at any time during the year.

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23.3 The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by Federal Government by Finance Act, 2008 for the levy of Workers Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive until the review petition is decided. Accordingly, the Bank has not reversed the Workers Welfare Fund (WWF) provided in the earlier audited financial statements.

24 SHARE CAPITAL - NET

24.1 Authorized capital

2025	2024	2025	2024
----- Number of Shares -----		-----Rupees in '000-----	
<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>
Ordinary shares of Rs.10 each			

24.2 Issued, subscribed and paid up capital

2025	2024		2025	2024
----- Number of Shares -----				
<u>1,108,703,299</u>	<u>1,108,703,299</u>	Ordinary shares of Rs 10 each	<u>11,087,033</u>	<u>11,087,033</u>
-	-	Fully paid in cash	-	-
-	-	Issued during the year right issue	<u>(79,042)</u>	<u>(79,042)</u>
-	-	Less: Discount on issue of shares	<u>11,007,991</u>	<u>11,007,991</u>
<u>1,108,703,299</u>	<u>1,108,703,299</u>			

24.3 Reserves

Statutory Reserves	<u>8,367,375</u>	<u>7,166,819</u>
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Under section 21 of the Banking Companies Ordinance, 1962 an amount of not less than 20% of the profit is to be transferred to create a reserve fund till such time the reserve fund and the share premium account equals the amount of the paid up capital. Thereafter, an amount of not less than 10% of the profit is required to be transferred to such reserve fund.

25 SURPLUS ON REVALUATION OF ASSETS

Note 2025 2024
-----Rupees in '000-----

Surplus on revaluation of:

- Securities measured at FVOCI - Debt	11.1	<u>2,221,915</u>	12,156,499
- Securities measured at FVOCI - Equity	11.1	<u>1,409,874</u>	27,998
- Property and equipment		<u>4,672,709</u>	2,538,025
- Non-banking assets acquired in satisfaction of claims	17	<u>40,922</u>	69,958
		<u>8,345,420</u>	14,792,480

Deferred tax liability on surplus on revaluation of:

- Securities measured at FVOCI - Debt	16	<u>(1,155,396)</u>	(6,321,379)
- Securities measured at FVOCI - Equity	16	<u>(733,134)</u>	(14,559)
- Property and equipment	16	<u>(2,123,486)</u>	(1,042,621)
- Non-banking assets acquired in satisfaction of claims	16	<u>(17,844)</u>	(17,852)
		<u>(4,029,860)</u>	(7,396,411)
		<u>4,315,560</u>	7,396,069

2025 2024

-----Rupees in '000-----

25.1 Surplus on revaluation of property and equipment

Surplus on revaluation of property and equipment as at January 01	2,538,025	2,786,212
Recognized during the year	2,493,147	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(171,564)	(114,166)
Related deferred tax liability in respect of incremental depreciation	(2,015)	(134,021)
Related deferred tax liability on surplus realized on disposal	(184,884)	-
Surplus on revaluation of property and equipment as at December 31	4,672,709	2,538,025
Less: related deferred tax liability on:		
- revaluation as at January 01	(1,042,621)	(1,365,244)
- revaluation recognised during the year	(1,082,880)	-
- deferred tax liability derecognized	-	277,152
- surplus realised on disposal during the year	-	-
- impact of change in tax rate	-	(88,550)
- incremental depreciation charged during the year	2,015	134,021
	(2,123,486)	(1,042,621)
	2,549,223	1,495,404

25.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Surplus on revaluation as at January 01	69,958	68,313
Recognised during the year	(1,307)	1,910
Realised on disposal during the year - net of deferred tax	(27,713)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(8)	(122)
Related deferred tax liability on incremental depreciation charged during the year	(8)	(143)
Surplus on revaluation as at December 31	40,922	69,958
Less: related deferred tax liability on:		
- revaluation as at January 1	(17,852)	(33,473)
- revaluation recognised during the year	-	(1,031)
- deferred tax liability derecognized	-	18,505
- impact of change in tax rate	-	(1,996)
- incremental depreciation charged during the year	8	143
	(17,844)	(17,852)
	23,078	52,106

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	Note	2025	2024
		-----Rupees in '000-----	
26 CONTINGENCIES AND COMMITMENTS			
- Guarantees	26.1	33,305,718	16,183,014
- Commitments	26.2	202,855,430	479,256,656
- Other contingent liabilities	26.3	1,805,266	720,593
		237,966,414	496,160,263
26.1 Guarantees:			
Performance guarantees		18,554,503	10,122,636
Other guarantees		14,751,215	6,060,378
		33,305,718	16,183,014
26.2 Commitments:			
Documentary credits and short-term trade-related transactions:			
- letters of credit		34,642,731	23,754,604
Commitments in respect of:			
- Shariah compliant alternative of forward foreign exchange contracts	26.2.1	85,352,408	174,461,152
Commitments for acquisition of:			
- property and equipment		132,944	708,427
- intangible assets		2,413,124	78,609
Other commitments			
- commitments in respect of financing	26.2.2	80,314,223	280,253,864
		202,855,430	479,256,656
26.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions			
Purchase		49,789,168	96,427,628
Sale		35,563,240	78,033,524
		85,352,408	174,461,152
26.2.2 The Bank makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
26.3 Other contingent liabilities	Note	2025	2024
		-----Rupees in '000-----	
Suit filed for recovery of alleged losses suffered, pending In the High Court, which the Bank has not acknowledged as debt	26.3.1	1,804	1,804
Tax Contingencies	26.3.2	1,803,462	718,789
		1,805,266	720,593
26.3.1 Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt.			
26.3.1.1 These are court cases, which represent counter claims filed by the borrowers, for restricting the Bank for disposal of the financed assets, (such as mortgaged / leased / pledged assets, kept as security), as well as, the cases where the Bank is pleaded as proforma defendant for defending its interest.			

26.3.1.2 There are two cases filed against the Bank by KASB Corporation Limited. One case is filed at Honorable Sindh High Court and the other is filed at Honorable Islamabad High Court. KASB Corporation Limited claims of having placed Rs. 981.410 million with Ex-KASB Bank, as Advance against Issue of Right Shares. The amount was reported by the Ex-KASB Bank as part of the shareholders equity in the unconsolidated financial statements with the permission of SBP. These cases are still pending adjudication. The management based on the opinion of its legal counsel is confident that the cases will be dismissed by the Honorable Courts therefore, the Bank has not acknowledged that as a debt.

26.3.2 Tax Contingencies

26.3.2.1 During the year 2014 (relating to defunct KASB Bank Limited), appellate order passed by the Commissioner Inland Revenue Authority (CIRA) [in respect of Income tax assessments of International Housing Finance Limited, amalgamated into the defunct KASB Bank Limited during the year ended 31 December 2007] for tax year 2005 maintained the order of the Taxation Officer to the extent of disallowances relating to income from carry over transactions and gain on sale of property having an aggregate tax impact of Rs. 12.997 million. The defunct KASB Bank Limited has preferred appeals before the Appellate Tribunal Inland Revenue (ATIR) for tax year 2005 which are pending finalization. The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters, therefore no provision has been recorded in this regard.

26.3.2.2 In respect of various tax periods for the Bank and the defunct KASB Bank, the Sindh Revenue Board (SRB) has issued various assessment orders raising demands of Rs.107.577 million. The demand relates to the levy of Sindh Sales Tax on certain services, along with applicable default surcharge. The Bank has filed appeals against these orders before the Commissioner (Appeals) – SRB, which are currently pending adjudication. Furthermore, the Bank is contesting the issuance of certain showcause notices issued by SRB for the period covering from January 2012 till December 2013 before the Honorable Supreme Court of Pakistan based on the ground that these notices are time barred. The subject matter is also pending adjudication.

In respect of Tax Year 2019 and 2020, the ACIR under section 122(5A) of the Income Tax Ordinance, 2001 amended the return submitted by the Bank by adding / disallowing certain expenses thereby creating a Tax demand of Rs 1.247 billion. The Bank filed appeal against the orders before Commissioner Appeal. The Commissioner Appeal while passing order for Tax Year 2019 and Tax Year 2020 has remanded back / deleted significant amount of disallowances and confirmed disallowance amounting Rs 108 million pertaining to Non Banking Assets and initial allowance on fixed assets. The Bank has filed appeal against the confirmed disallowances before the Appellate Tribunal (ATIR) where the matter is pending adjudication.

In respect of Tax Year 2022 the ACIR under section 122(5A) of the Income Tax Ordinance, 2001 amended the return submitted by the Bank by adding / disallowing certain expenses thereby creating a Tax demand of Rs 522.794 million. The Bank has filed appeal against the orders before Commissioner Appeal which is pending adjudication. The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters, therefore no provision has been recorded in this regard.

26.3.2.3 During the year, the Bank received five re-assessment orders issued under Section 122 of the Income Tax Ordinance, 2001, for Tax Years 2020 through 2024, at December 31, 2025 creating an aggregate tax demand of Rs. 2.568 billion. The Federal Board of Revenue (FBR) has primarily challenged claims related to the defunct KASB Bank, specifically the utilization of brought forward tax depreciation and losses, amortization of goodwill, reversals of provisions against non-performing loans under Rule 1(c) of the Seventh Schedule, and provisions for diminution in the value of investments. While the Bank has paid a portion of the demand amounting to Rs. 1.5 billion based on a partial acceptance of the department's position, it has preferred an appeal before the Commissioner Inland Revenue (Appeals) against the remaining issues. Management, supported by the advice of tax consultants, believes that the remaining contentions are legally sustainable and that a favorable outcome is probable; therefore, no provision for the remaining amount has been recognized in these financial statements. However remaining demand of Rs. 1.068 billion has been appropriately disclosed in these Financial Statements.

26.3.2.4 In respect of Tax year 2017 and 2018, the Bank has been in receipt of assessment orders from AJK FBR bearing demands amounting Rs 41.966 million and Rs 50.136 million respectively. The Bank filed appeal before the Commissioner Appeals (CIRA) which was concluded in Bank's favour. The Department, being aggrieved, filed appeal against the Commissioner Appeals order before the Appellate Tribunal Inland Revenue (ATIR), which upheld CIRA's decision. Now the department has approached High Court AJ&K for the resolution of the matter. Based on the advise from tax consultant, no provision has been recorded. The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters, therefore no provision has been recorded in this regard.

26.3.2.5 Following the 18th Amendment to the Constitution of Pakistan, the Government of Sindh enacted the Sindh Workers Welfare Fund (SWWF) Act, 2014, with the Sindh Revenue Board (SRB) as the designated collection agent. Since the promulgation of the Act, the SRB issued notices to various industrial establishments, including the Bank, demanding a contribution of approximately Rs.132 million.

The Bank, along with other financial institutions, challenged the levy in the Honorable High Court of Sindh (SHC) on the grounds that banks do not fall within the definition of "Industrial Establishment" as contemplated under the SWWF Act. The SHC initially granted a stay against the recovery of the demand, subject to the submission of bank guarantees.

On January 21, 2025, the SHC concluded the proceedings in favor of the Bank, ruling that the authority to levy and collect Workers Welfare Fund rests with the Federation. This decision was based on the resolution passed by the Council of Common Interest (CCI) vide order no. CCI.14/1/2019 dated December 23, 2019, which addressed the conflict of jurisdiction between Federal and Provincial authorities.

The SRB has recently preferred an appeal before the Supreme Court of Pakistan (SCP) against the SHC decision. Based on the advice of the Bank's legal consultant and the legal merits of the case following the SHC ruling, the management is confident of a favorable outcome. However on prudence basis provision has been recognized in these financial statements.

26.4 Contingent assets

There are no contingent assets of the Bank as at 31 December 2025 (2024: Nil)

	2025	2024
	-----Rupees in '000-----	
27 PROFIT / RETURN EARNED		
Profit earned on:		
Financing	31,093,383	40,726,407
Investments	41,634,591	67,140,277
Placements	827,043	4,445,197
Others	679,765	488,816
	74,234,782	112,800,697
27.1 Profit income (calculated using effective profit rate method) recognised on:		
Financial assets measured at amortised cost	2,049,517	5,611,941
Financial assets measured at FVOCI	41,627,601	67,130,997
	43,677,118	72,742,938
Financial assets measured at FVPL	6,990	9,280
Financial assets measured at cost	30,550,674	40,048,479
	30,557,664	40,057,759
28 PROFIT / RETURN EXPENSED		
Deposits and other accounts	30,526,116	52,905,648
Due to financial institutions	5,990,650	10,866,353
Subordinated Sukuk	431,344	679,854
Cost of foreign currency swaps against foreign currency deposits	742,907	1,155,459
Finance charges on leased assets	892,690	806,755
	38,583,707	66,414,069
28.1 Profit expense calculated using effective profit rate method	7,314,684	12,352,962
Other financial liabilities	31,269,023	54,061,107
	38,583,707	66,414,069
29 FEE AND COMMISSION INCOME		
Card related fees	1,811,172	1,306,006
Commission on trade	612,499	447,768
Commission on arrangement with financial institutions	207,698	136,952
Investment banking fees	213,871	127,291
Commission on bancatakaful	162,300	53,157
Commission on guarantees	179,672	43,999
Consumer finance related fees	30,265	10,355
Branch banking customer fees	115,780	99,181
Commission on remittances including home remittances	37,036	51,157
Commission on cash management	31,076	27,405
Others	24,952	8,913
	3,426,321	2,312,184

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	Note	2025	2024
		-----Rupees in '000-----	
30 GAIN ON SECURITIES - NET			
Realized	30.1	4,165,316	646,545
Unrealized - Measured at FVPL		6,398	54,344
		<u>4,171,714</u>	<u>700,889</u>
30.1 Realized gain / (loss) on:			
Shares		173,430	286,353
Federal Government Shariah Compliant Securities		3,618,866	342,656
Non-Government Shariah Compliant Securities		373,020	17,536
		<u>4,165,316</u>	<u>646,545</u>
30.2 Net gain on financial assets / liabilities measured at FVPL:			
Designated upon initial recognition		6,398	54,344
		<u>6,398</u>	<u>54,344</u>
31 OTHER INCOME			
Recoveries against previously expensed items		30,592	17,836
Gain on sale of non-banking assets		13,818	-
Gain on termination of financing		67,155	100,897
Gain on sale of property and equipment		128,291	50,447
Rent on property		4,000	-
Gain on termination of lease		22,504	-
Gain on modification of lease		104,639	-
Others		9,844	1,668
		<u>380,843</u>	<u>170,848</u>
32 OPERATING EXPENSES			
Total compensation expense	32.1	14,621,706	9,947,120
Property expense			
Rent & taxes		33,654	37,370
Takaful cost		13,726	5,417
Utilities cost		1,314,828	1,279,425
Security (including guards)		1,242,731	970,172
Repair & maintenance (including janitorial charges)		572,042	516,911
Depreciation	13.2	709,214	701,158
Depreciation on right-of-use assets	14	1,786,887	1,323,414
Others		1,921	-
		<u>5,675,003</u>	<u>4,833,867</u>

	Note	2025	2024
		-----Rupees in '000-----	
Information technology expenses			
Software maintenance		2,333,846	777,830
Hardware maintenance		543,766	262,196
Depreciation	13.2	888,295	482,605
Amortization	15	403,929	260,625
Network charges		654,660	422,395
		4,824,496	2,205,651
Other operating expenses			
Directors' fees and allowances		28,680	28,480
Fees and allowances to Shariah Board		37,710	33,276
Legal & professional charges		408,236	221,747
Travelling & conveyance		376,817	233,548
NIFT clearing charges		70,842	63,512
Depreciation	13.2	690,838	512,058
Depreciation on non-banking assets	17.1.1	1,280	2,327
Training & development		107,652	49,552
Postage & courier charges		126,496	81,957
Communication		473,865	371,311
Stationery & printing		547,245	433,981
Marketing, advertisement & publicity		724,576	443,908
Repairs and maintenance		415,191	305,188
Takaful / Insurance		586,330	500,802
Fee and subscription		743,922	676,460
Vehicle running and maintenance		673,764	580,845
Donations	32.2	49,198	186,469
Auditors' remuneration	32.3	36,321	34,437
Amortization	15	14,117	14,402
Others		192,943	398,174
		6,306,023	5,172,434
		31,427,228	22,159,072
32.1 Total compensation expense			
Managerial remuneration		8,936,044	4,672,462
(i) Fixed			
(ii) Variable			
- Performance awards / incentives		921,166	299,240
- Cash bonus		1,500,000	736,969
Charge for defined benefit plan	40.8.1	95,216	305,706
Contribution to defined contribution plan	41	416,442	285,907
Rent & house maintenance		-	1,443,082
Utilities		-	320,679
Medical		835,226	431,139
Car maintenance		627,157	452,317
Conveyance		13,946	20,128
Fuel allowance		71,723	101,953
Sports & welfare		28,786	18,258
Staff takaful		267,929	197,637
Phone banking allowance		12,062	9,151
Contract staff cost		545,282	409,499
Amortization of prepaid staff cost		347,604	241,454
Others		3,123	1,539
Total		14,621,706	9,947,120
32.2 Details of donations			
Amount set aside for donation		49,198	186,469
		49,198	186,469

32.2.1 Donations were not made to any donee in which Directors or their spouse had any interest.

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32.2.2 This represents amount set aside as donation out of Bank's profits in accordance with the approved policies. During the year 2025, the Bank paid an amount of Rs. 126.44 million to Future Trust.

	Note	2025	2024
-----Rupees in '000-----			
32.3 Auditors' remuneration			
Audit fee		12,275	11,896
Fee for the review of half yearly financial statements		3,436	3,324
Fee for other statutory certifications		5,392	3,946
Special certifications and sundry advisory services		11,916	12,171
Out-of-pocket expenses		3,302	3,100
		<u>36,321</u>	<u>34,437</u>
33 OTHER CHARGES			
Penalties imposed by regulatory authorities		87,193	33,819
Other regulatory charges		34,577	-
		<u>121,770</u>	<u>33,819</u>
34 CREDIT LOSS ALLOWANCE, (REVERSAL) AND WRITE OFFS - NET			
Credit loss allowance reversal against due from financial institutions		(14,532)	(3,260)
Charge / (reversal) of credit loss allowance against investments	11.6.1	51	(242,134)
(Reversal) / charge of credit loss allowance against Islamic financing, related assets and advances - net	12.16.5	(517,230)	1,189,119
Fair value loss recognized		(21,505)	1,488,388
Modification loss		26,497	34,015
Write-off of leased hold improvements		-	13,332
Charge / (reversal) of credit loss allowance against balance with treasury and other banks		9	(4,046)
Credit loss allowance / (reversal) against off balance sheet items - net		(117,720)	157,252
Other credit loss allowance / (reversal) / write offs - net		12,775	100,890
		<u>(631,655)</u>	<u>2,733,556</u>
35 TAXATION			
Current		5,956,835	13,670,584
Prior years		4,510,009	1,336,347
Deferred		(2,506,121)	(1,310,771)
		<u>7,960,723</u>	<u>13,696,160</u>
35.1 Relationship between tax expense and accounting profit			
Profit Before Tax		<u>13,963,505</u>	<u>25,529,701</u>
Tax on income @ 53% / 54%		7,400,658	13,786,039
Effect of change in Tax rate		(322,624)	(284,644)
Effect of permanent difference		88,077	100,803
Prior year charge		4,510,009	(1,336,347)
Deferred tax on disallowances		-	1,412,071
Deferred tax arising on prior year adjustments		(3,715,397)	18,238
		<u>560,065</u>	<u>(89,879)</u>
Tax charge for the year		<u>7,960,723</u>	<u>13,696,160</u>

	Note	2025	2024
		-----Rupees in '000-----	
36 EARNINGS PER SHARE			
Profit after taxation for the period		<u>6,002,782</u>	<u>11,833,541</u>
		----- Number of shares -----	
Weighted average number of ordinary shares		<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- Rupees -----	
Basic and diluted earnings per share	36.1	<u>5.41</u>	<u>10.67</u>

36.1 There were no convertible / dilutive potential ordinary shares outstanding as at December 31, 2025 and December 31, 2024, therefore diluted earning per share has not been presented separately.

37 PROFIT / (LOSS) DISTRIBUTION TO DEPOSITORS POOL

The Bank maintained the following pools for profit declaration and distribution during the year ended December 31, 2025:

- (i) General Deposit Mudarabah Pool (PKR, USD, EUR & GBP)
- (ii) Musharakah Pool under SBP's Islamic Export Refinance Scheme
- (iii) Special Mudarabah Deposits Pool
- (iv) Treasury Pools
- (v) Other specific musharakah pool

The deposits and funds accepted under the General Deposit Mudarabah Pool is provided to different sectors of economy mainly to 'Textile and Allied', 'Energy', 'Fertilizer', 'Trading', 'Consumer Finance' and 'GOP backed Sukuks'.

Musharakah investments from the SBP under Islamic Export Refinance Scheme (IERS) are channelled towards the export sector of the economy via different Islamic financing modes such as Murabahah, Istisna etc.

Key features and risk & reward characteristics of all pools

The 'General Deposit Mudarabah Pool' for both local and foreign currency is to cater all depositors of the Bank and provide profit / loss based on actual returns earned by the pool. Depositors are Rabb-ul-Maal as they are the provider of capital while the Bank acts as Mudarib by investing these funds in business. Since there are more than one Rabb-ul-Maal (depositor), their mutual relationship is that of Musharakah. Profit is shared among Mudarabah partners (Bank and depositors) as per pre-agreed profit sharing ratio. Whereas, profit sharing among the depositors is based on pre-assigned weightages. Loss, if any, is borne by Rabb-ul-Maal as per the principles of Mudarabah.

The 'IERS Pool' caters to the 'Islamic Export Refinance Scheme' requirements based on the guidelines issued by the SBP. In this Scheme, SBP enters into a Musharakah arrangement with the Bank for onward financing to exporters and other blue chip companies on the basis of Shariah compliant modes such as Murabahah, Istisna, etc. Under the scheme, SBP is required to share in profit and loss of the Bank's IERS Musharakah pool. IERS pool consists of blue chip companies to whom the Bank has provided financing facilities on Shariah compliant modes including IERS facility. Profit is shared according to an agreed weightage and loss is shared according to the investment ratio.

The 'Special Mudarabah Deposits Pools' for local currency are created to attract and retain clients expecting specific returns. The funds received against these deposits are invested in various Shariah compliant assets.

The 'Treasury Pools' are managed on the basis of Musharakah and Wakalah, wherein the Bank and partner (Financial Institution) share actual return earned by the pool according to pre-defined profit sharing ratio in case of Musharakah, and desired rate of return for Wakalah.

The 'other specific musharakah pool' assets comprise of consumer housing finance portfolio, sukuk and the related liability of the pool comprises of musharakah acceptance from a financial institution. This pool is created to fund the housing finance portfolio.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool. The pool is exposed to following kinds of risks:

- 1 Asset Risk: The pool is exposed to Asset Risk which is the risk that is associated with Islamic mode of finance(s) applied / used under the transaction structure(s). The Bank has prepared detailed product manuals in order to identify and properly mitigate such risk. The Bank also analyses transaction structure of each customer to further ensure proper safeguard of depositors' interest. The review is done by experienced team of professionals having considerable experience in the field of Islamic banking and finance. Nevertheless since Islamic banking is a nascent industry, we believe that the process of further improvement will continue as the business grows.
- 2 Credit Risk: Credit Risk is the risk which is associated with financing that is mitigated through safeguards through available standards within Shariah guidelines as disclosed in note 47.1 to the unconsolidated financial statements.

Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components:

Gross income (Revenue less cost of goods sold and after deduction of other direct expenses), generated from relevant assets is calculated at the end of the month. The income is shared between the Bank and the depositors as per agreed profit sharing ratio after deduction of commingled Bank's equity share on pro rata basis. The residual is shared among depositors as per agreed weightages. These weightages and profit sharing ratios are declared by the Bank in compliance with the requirements of the SBP and Shariah.

The allocation of income and expenses to different pools is based on pre-defined basis and accounting principles / standards. Direct expenses are charged to respective pool, while indirect expenses are borne by the Bank as Mudarib. The direct expenses charged to the pool are direct cost in financing / investment transactions (i.e. Murabahah, Ijarah, Diminishing Musharakah, Istisna, Tijarah Financing, Salam etc.) and depreciation of Ijarah assets. The general and specific provisions created against non-performing Islamic financing and related assets and diminution in the value of investments as under prudential regulations and other SBP directives have been borne by the Bank as Mudarib.

2025								
General Deposit Mudarabah Pool	Profit rate and weightage announcement period	Profit rate return earned	Depositor Share %	Mudarib share %	Mudarib share	Profit rate return distributed to remunerative deposits (Savings and Term)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
					(Rupees in '000)			(Rupees in '000)
PKR Pool	Monthly	8.14%	50.00%	50.00%	4,845,831	6.33%	56.79%	2,752,055
Daily Product	Monthly	10.87%	50.00%	50.00%	42,223	7.77%	43.45%	18,344
USD Pool	Monthly	3.48%	10.00%	90.00%	100,632	0.36%	0.31%	313
GBP Pool	Monthly	4.75%	10.00%	90.00%	10,654	0.49%	0.99%	105
EURO Pool	Monthly	5.45%	10.00%	90.00%	10,375	0.52%	0.00%	-

Specific Musharakah Pool	Profit Rate and Weightages announcement Period	Profit Rate return earned	Client Share %	Bank Share %	Bank Share	Profit rate return distributed	Percentage of Hiba to Client	Amount of Hiba to Client
					(Rupees in '000)			(Rupees in '000)
Islamic Export Refinance (IERS) Pool	Monthly	8.91%	45.97%	54.03%	955,629	2.07%	5.18%	49,478
Other Specific Musharakah Pool	Monthly	12.81%	83.80%	16.20%	118,954	12.75%	0.00%	-

Specific Mudarabaha Pool	Profit Rate and Weightages announcement Period	Profit Rate return earned	Depositor Share %	Mudarib Share %	Mudarib Fee	Profit rate return distributed to remunerative special deposits	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba to special remunerative deposits
					(Rupees in '000)			(Rupees in '000)
(i) Special Pool PKR	Monthly	10.86%	75.00%	25.00%	4,096,641	9.19%	43.60%	1,786,057
(ii) 1-2-3 Years TDR	Monthly	11.26%	70.00%	30.00%	1,452,437	9.18%	38.33%	556,748
(iii) New TDR Pool	Monthly	1.83%	70.00%	30.00%	4,129	1.62%	66.92%	2,763
(iv) Special Pool USD	Monthly	7.69%	50.00%	50.00%	533,579	5.62%	49.09%	261,912
(v) Special Pool GBP	Monthly	3.49%	50.00%	50.00%	480	2.64%	31.66%	152
(vi) Special Pool Euro	Monthly	5.80%	90.00%	10.00%	1,645	5.61%	40.52%	667
(vii) Hajj Pool	Monthly	2.51%	25.00%	75.00%	12,674	1.16%	27.95%	3,542

- (viii) In addition to the above, 519 short term Treasury Pools were created to meet liquidity requirement of Treasury Department. The Pools were dissolved after maturity of respective Treasury transaction. The Pools were managed under the Shariah approved guidelines.

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	Note	2025	2024
		-----Rupees in '000-----	
38 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	8	71,821,007	41,093,952
Balances with other banks	9	1,067,562	982,664
		72,888,569	42,076,616

39 STAFF STRENGTH		Number of employees	
Permanent		5,401	4,668
On Bank contract		1,951	1,902
Outsource		816	747
Total staff strength		8,168	7,317

40 DEFINED BENEFIT PLAN

40.1 General description

The Bank operates a gratuity fund for its employees (members of the fund). The fund entitles the members to lump sum payment at the time of retirement, resignation or death. Permanent staff are eligible for such benefits after three years of service.

40.2 Number of Employees under the scheme

The number of eligible employees covered under the defined scheme are 5,046 (2024: 4,668).

40.3 Principal actuarial assumptions

Projected unit credit method, using the following significant assumptions, was used for the valuation of the defined benefit plan:

	2025	2024
- Valuation Discount rate	11.00%	12.25%
- Salary Increase Rate	12.25%	13.25%
- Expected Return on Plan Assets	11.00%	12.25%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables, rated down by one year.

	2025	2024
	----- Rupees in '000 -----	
40.4 Reconciliation of (receivable from) / payable to defined benefit plans		
The amount recognized in the unconsolidated statement of financial position (in respect of the gratuity scheme) is determined as follows:		
Present value of defined benefit obligations	1,289,509	1,227,058
Fair value of plan assets	(802,019)	(701,584)
	487,490	525,474

	Note	2025	2024
		----- Rupees in '000 -----	
40.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		1,227,058	891,124
Current service cost		325,283	262,336
Past service cost		(274,130)	4,029
Return expense		134,619	121,138
Benefits paid by the Bank		(124,702)	(168,922)
Re-measurement loss / (gain)	40.8.2	1,381	117,353
Obligations at the end of the year		<u>1,289,509</u>	<u>1,227,058</u>
40.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		701,584	462,183
Return earned on plan assets		90,556	81,797
Contribution by the Bank		200,000	300,000
Benefits paid by the Bank		(124,702)	(168,922)
Re-measurement gain	40.8.2	(65,419)	26,526
Fair value at the end of the year		<u>802,019</u>	<u>701,584</u>
40.7 Movement in payable under defined benefit schemes			
Opening balance		525,474	428,941
Charge for the year		95,216	305,706
Contribution by the Bank		(200,000)	(300,000)
Re-measurement loss / (gain) recognized in OCI during the year	40.8.2	66,800	90,827
Closing balance		<u>487,490</u>	<u>525,474</u>
40.8 Charge for defined benefit plans			
40.8.1 Cost recognized in profit and loss			
Current service cost		325,283	262,336
Net return charges		44,063	39,341
Past service cost - due to change in salary structure		-	403,549
Past service cost - due to change in scheme benefit rule		(274,130)	(399,520)
		<u>95,216</u>	<u>305,706</u>
40.8.2 Re-measurements recognized in OCI during the year			
Loss / (Gain) on obligation			
- Demographic assumptions		11,343	(54,606)
- Financial assumptions		(24,990)	108,256
- Experience adjustment		15,028	63,703
Total remeasurement on obligation		1,381	117,353
Remeasurement on plan assets		65,419	(26,526)
Return on plan assets		-	-
Total re-measurements		66,800	90,827
Deferred tax impact		(34,736)	(48,138)
Total re-measurements recognized in OCI		<u>32,064</u>	<u>42,689</u>
40.9 Components of plan assets			
Mutual Funds		-	50,005
Federal Government Shariah Compliant Securities		743,680	444,896
Bank Balance		42,723	206,683
Term Deposit Receipt		-	-
		<u>786,403</u>	<u>701,584</u>

40.9.1 The plan assets and defined benefit obligations are based in Pakistan.

40.10 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2025	2024
	----- Rupees in '000 -----	
1% increase in discount rate	1,237,890	1,182,747
1% decrease in discount rate	1,346,017	1,275,120
1 Year increase in Life expectancy / Withdrawal rate	1,289,421	1,228,150
1 Year decrease in Life expectancy / Withdrawal rate	1,289,421	1,225,961

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 recognized within the Unconsolidated Statement of Financial Position.

	Rupees in '000
40.11 Expected contributions to be paid to the funds in the next financial year	<u>194,549</u>
40.12 Expected charge for the next financial year	<u>194,549</u>
40.13 Maturity profile	

The weighted average duration of the defined benefit obligation is 4.51 years (2024 : 3.89 years)

Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At December 31, 2025	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	----- Rupees in '000 -----				
Gratuity	<u>219,865</u>	<u>121,173</u>	<u>400,006</u>	<u>1,455,124</u>	<u>2,196,168</u>

40.14 Funding Policy

Funding levels are monitored on an annual basis and are based on actuarial recommendations. Expected Gratuity Expense for the next year works out to Rs. 194.549 million as per the actuarial valuation report of the Bank as of December 31, 2025.

40.15 Though its defined benefit gratuity plan, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Investment Risks	The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.
Longevity Risks	The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.
Salary Increase Risk	The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
Withdrawal Risk	The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

41 DEFINED CONTRIBUTION PLAN

The Bank operates a contributory provident fund for all permanent employees. The employer and employee both contribute 6.67% of basic salary to the fund every month. Equal monthly contributions made by employer and employees during the year amounted to Rs. 416.442 million (2024: Rs. 285.907 million) each.

42 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

42.1 Total Compensation

Items	2025			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 etc.	4,680	-	24,000	4,380	-	-	-
Managerial Remuneration							
Fixed	-	1,355	-	24,739	47,273	352,018	216,331
Cash Bonus / Awards	-	-	-	4,400	9,955	96,303	30,998
Rent & house maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Medical	-	-	-	-	4,727	35,202	22,494
Conveyance	-	245	-	4,026	-	42,991	37,432
Shariah Board allowance	-	-	-	3,871	-	-	-
Others	-	-	-	-	-	6,196	15,773
Total	4,680	1,600	24,000	41,416	61,955	532,710	323,028
Number of Persons	1	1	8	4	1	28	23

Items	2024			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 etc.	4,280	-	24,200	4,380	-	-	-
Managerial Remuneration							
Fixed	-	-	-	15,236	31,515	187,540	137,371
Cash Bonus / Awards	-	-	-	4,400	9,887	43,814	38,879
Rent & house maintenance	-	-	-	-	-	65,640	53,691
Utilities	-	-	-	-	-	14,587	11,931
Medical	-	-	-	-	4,097	18,754	13,737
Conveyance	-	-	-	3,729	-	32,222	29,364
Shariah Board allowance	-	-	-	11,173	-	-	-
Others	-	-	-	1,769	17,358	33,958	24,004
Total	4,280	-	24,200	40,687	62,857	396,515	308,977
Number of Persons	1	-	6	4	1	21	27

42.1.1 The President / CEO has been provided with bank maintained cars.

42.1.2 The President / CEO and certain key management personnel have been provided with club memberships.

42.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	2025					
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Board Committees				Total Amount Paid
			Audit Committee	Risk Management Committee	Board IT Committee	Board Human Resource & Remuneration Committee	
----- Rupees in '000 -----							
1	Mr. Suleman Lalani	2,880	-	-	1,000	800	4,680
2	Mr. Haider Ali Hilaly	2,400	1,200	-	1,000	-	4,600
3	Mr. Sulaiman Sadruddin Mehdi	2,400	1,200	800	-	400	4,800
4	Mr. Syed Ali Hasham	2,000	1,200	800	-	800	4,800
5	Mr. Akhtar Abbas	2,400	-	-	1,000	800	4,200
6	Mr. Kalim Ur Rehman	800	-	-	-	-	800
7	Dr. Shamshad Akhtar (late)	1,600	800	600	-	-	3,000
	Resigned in 2025						
8	Mr. Ali Hussain	1,200	-	-	-	-	1,200
9	Ms. Iffat Zehra Mankani	400	200	200	-	200	1,000
	Total Amount Paid	16,080	4,600	2,400	3,000	3,000	29,080

Sr. No.	Name of Director	2024					
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Board Committees				Total Amount Paid
			Audit Committee	Risk Management Committee	Board IT Committee	Board Human Resource & Remuneration Committee	
----- Rupees in '000 -----							
1	Mr. Suleman Lalani	2,880	-	-	800	600	4,280
2	Mr. Ali Hussain	2,400	-	-	-	-	2,400
3	Mr. Haider Ali Hilaly	2,400	1,000	-	800	-	4,200
4	Mr. Sulaiman Sadruddin Mehdi	2,400	1,000	800	-	-	4,200
5	Mr. Syed Ali Hasham	2,400	1,000	800	-	600	4,800
6	Mr. Akhtar Abbas	2,400	-	-	800	600	3,800
7	Ms. Iffat Zehra Mankani	3,600	1,000	1,000	-	800	6,400
	Total Amount Paid	18,480	4,000	2,600	2,400	2,600	30,080

42.3 Remuneration paid to Shariah Board Members

Items	2025			2024		
	Chairman	Resident Member	Non-Resident Member	Chairman	Resident Member	Non-Resident Member
----- Rupees in '000 -----						
a. Meeting Fees and Allowances	-	-	4,380	-	-	4,380
b. Managerial remuneration & allowances	25,196	11,840	-	24,891	11,416	-
Total Amount	25,196	11,840	4,380	24,891	11,416	4,380
Total Number of Persons	1	1	2	1	1	2

43 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortized cost or investments in associates and subsidiary, is based on quoted market price. Quoted securities classified as amortized cost are carried at cost less impairment losses.

The fair value of unquoted Shariah compliant securities, fixed term financing, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

43.1 Fair value of financial assets

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

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

	2025			Total
	Level 1	Level 2	Level 3	
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Mutual funds	4,580,199	18,477	-	4,598,676
GoP Ijara Sukuk	78,801,265	235,934,974	-	314,736,239
Non-Government Shariah compliant securities	-	1,227,194	1,124,995	2,352,189
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	49,789,168	-	49,789,168
Shariah compliant alternative of forward sale of foreign exchange	-	35,563,240	-	35,563,240
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	11,447,542	-	11,447,542
Non-banking assets acquired in satisfaction of claims	-	1,085,484	-	1,085,484

	2024			Total
	Level 1	Level 2	Level 3	
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates/Mutual Funds	838,825	-	6,820	845,645
GOP Ijara Sukuk	54,455,722	256,569,779	-	311,025,501
Non-Government Shariah compliant Securities	3,415,471	29,764,936	-	33,180,407
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	96,427,628	-	96,427,628
Shariah compliant alternative of forward sale of foreign exchange	-	78,033,524	-	78,033,524
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	6,505,413	-	6,505,413
Non-banking assets acquired in satisfaction of claims	-	1,214,658	-	1,214,658

Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued 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 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - unlisted	- SWIFT is valued Using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the Valuation date.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - Land and building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non-banking assets acquired in satisfaction of claims	

Valuation techniques used in determination of fair values within level 3

Item	Valuation approach and input used
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP), if available, in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan, which are then discounted using PKRV rate, adjusted for credit spreads to reflect the risk profile of each instrument.

	2025
	(Rupees in '000)
Opening balance	1,113,000
Addition during the year	-
Remeasurement recognised in OCI	11,995
Closing balance	1,124,995

- 43.2** The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer occurred.

44 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	2025				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Profit & Loss					
Net profit / return	37,085,023	(25,356,323)	24,577,484	(655,109)	35,651,075
Inter segment revenue - net	(39,362,786)	59,366,361	(24,433,605)	4,430,030	-
Total other income	5,931,362	2,229,332	1,040,359	313,689	9,514,742
Total income	3,653,599	36,239,370	1,184,238	4,088,610	45,165,817
Segment direct expenses	292,680	17,376,268	983,513	13,181,506	31,833,967
Inter segment expense allocation	99,962	10,979,045	1,695,761	(12,774,768)	-
Total expenses	392,642	28,355,313	2,679,274	406,738	31,833,967
Credit loss allowance	(14,472)	115,593	(606,855)	(125,921)	(631,655)
Profit / (loss) before tax	3,275,429	7,768,464	(888,181)	3,807,793	13,963,505
Balance Sheet					
Assets					
Cash & Bank balances	1,067,562	71,821,007	-	-	72,888,569
Investments	321,312,422	-	1,574,682	-	322,887,104
Net inter segment placements	-	544,264,990	-	22,213,146	566,478,136
Due from financial institutions	18,999,952	-	-	-	18,999,952
Islamic financing and related assets - performing	-	38,424,537	242,822,486	9,358,286	290,605,309
- non-performing - net	-	594,924	392,021	158,355	1,145,300
Others	-	-	-	64,816,644	64,816,644
Total Assets	341,379,936	655,105,458	244,789,189	96,546,431	1,337,821,014
Liabilities					
Due to financial institutions	499,301	4,241,983	9,871,824	-	14,613,108
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	9,319,864	650,863,475	-	-	660,183,339
Net inter segment acceptances	331,560,771	-	234,917,365	-	566,478,136
Others	-	-	-	44,932,523	44,932,523
Total liabilities	341,379,936	655,105,458	244,789,189	47,932,523	1,289,207,106
Equity	-	-	-	-	-
Total Equity & liabilities	341,379,936	655,105,458	244,789,189		
Contingencies & Commitments	85,352,408	-	67,948,449	84,665,557	237,966,414

	2024				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Profit & Loss					
Net profit / return	60,688,427	(45,100,090)	31,865,533	(1,067,242)	46,386,628
Inter segment revenue - net	(61,061,353)	88,553,885	(30,872,372)	3,379,840	-
Total other income	2,244,454	1,625,361	644,417	76,302	4,590,534
Total Income	1,871,528	45,079,156	1,637,578	2,388,900	50,977,162
Segment direct expenses	175,342	13,230,864	1,074,121	8,233,578	22,713,905
Inter segment expense allocation	130,814	6,091,004	1,456,927	(7,678,745)	-
Total expenses	306,156	19,321,868	2,531,048	554,833	22,713,905
Credit loss allowance	(249,440)	6,089	1,873,742	1,103,165	2,733,556
Profit / (loss) before tax	1,814,812	25,751,199	(2,767,212)	730,902	25,529,701

	2024				Total
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	
----- Rupees in '000 -----					
Balance Sheet					
Assets					
Cash & Bank balances	982,664	41,093,952	-	-	42,076,616
Investments	344,424,053	-	627,500	-	345,051,553
Net inter segment placements	-	487,602,377	-	34,431,139	522,033,516
Due from financial institutions	4,257,928	-	-	-	4,257,928
Islamic financing and related assets - performing	-	30,571,110	257,575,697	-	288,146,807
- non-performing - net	-	1,089,318	649,010	6,212,115	7,950,443
Others	-	-	-	50,350,678	50,350,678
Total Assets	349,664,645	560,356,757	258,852,207	90,993,932	1,259,867,541
Liabilities					
Due to financial institutions	70,960,060	3,340,467	13,361,634	-	87,662,161
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,161,642	557,016,290	-	-	559,177,932
Net inter segment acceptances	276,542,943	-	245,490,573	-	522,033,516
Others	-	-	-	39,684,656	39,684,656
Total liabilities	349,664,645	560,356,757	258,852,207	42,684,656	1,211,558,265
Equity	-	-	-	48,309,276	48,309,276
Total Equity & liabilities	349,664,645	560,356,757	258,852,207	90,993,932	1,259,867,541
Contingencies & Commitments	174,461,152	-	39,937,618	281,761,493	496,160,263

45 TRUST ACTIVITIES

Banks commonly act 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 assets are not assets of the Bank and, therefore, are not included in its balance sheet. Following is the list of assets held under trust:

Category	Type	No. of IPS account		Face Value	
		2025	2024	2025	2024
-----Rupees in '000-----					
Insurance Companies	Sukuks	4	4	145,000	145,000
Asset Management Companies	Sukuks	30	30	1,954,630	1,954,630
Employee Funds / NGO's	Sukuks	2	2	3,000	3,000
Individuals	Sukuks	1	1	67,370	67,370
Others	Sukuks	15	15	1,315,000	1,315,000
		52	52	3,485,000	3,485,000

RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, associates, employee benefit plans, its directors and key management personnel.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with 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 to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated financial statements are as follows:

	2025					2024						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- (Rupees in '000) -----												
Investments												
Opening balance	-	-	-	104,771	1,102,111	-	-	-	-	104,771	1,102,111	-
Investment made during the year	-	-	-	1,200,000	-	-	-	-	-	-	-	-
Investment written-off during the year	-	-	-	-	(41,867)	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,304,771	1,060,244	-	-	-	-	104,771	1,102,111	-
Credit loss allowance held against investments	-	-	-	(104,771)	(1,060,244)	-	-	-	-	(104,771)	(1,102,111)	-
Islamic financing and related assets												
Opening balance	-	-	467,815	-	480,187	1,608,466	-	-	422,999	-	480,187	248,878
Addition during the year	-	-	317,706	-	-	1,186,187	-	-	198,713	-	618,721	1,880,987
Repaid during the year	-	-	(246,291)	-	(187)	(2,338,596)	-	-	(109,859)	-	(618,721)	(521,399)
Transfer in / (out) - net	-	-	40,340	-	-	287,660	-	-	(44,038)	-	-	-
Closing balance	-	-	579,570	-	480,000	743,717	-	-	467,815	-	480,187	1,608,466
Credit loss allowance held against Islamic financing and related assets	-	-	-	-	(480,000)	-	-	-	-	-	(480,187)	-
Other assets												
Profit receivable on financings	-	-	483	-	-	37,625	-	-	425	-	-	17,902
Others	-	-	-	74	-	12,564	-	-	-	-	-	-
Due to financial institutions - net												
Opening balance	2,000,000	-	-	-	-	-	-	-	-	-	-	-
Additions during the year	50,000,000	-	-	-	-	500,000	141,000,000	-	-	-	-	-
Settled during the year	(52,000,000)	-	-	-	-	(500,000)	(139,000,000)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	2,000,000	-	-	-	-	-
Subordinated sukuk												
Opening balance	-	-	485	-	-	143,465	-	-	485	-	-	1,120
Issued / purchased during the year	-	-	-	-	-	3,565	-	-	-	-	-	143,585
Redemption / sold during the year	-	-	-	-	-	(3,705)	-	-	-	-	-	(1,240)
Transfer in / (out)	-	-	(450)	-	-	-	-	-	-	-	-	-
Closing balance	-	-	35	-	-	143,325	-	-	485	-	-	143,465
Deposits and other accounts												
Opening balance	-	9,305	126,828	4	1,083	1,461,374	-	5,741	72,646	4	29,503	6,162,706
Received during the year	-	511,609	1,429,392	2,344,407	805,834	125,111,029	-	1,067,531	1,259,126	-	2,120,383	55,109,096
Withdrawn during the year	-	(515,634)	(1,400,579)	(1,151,100)	(804,807)	(123,955,360)	-	(1,063,967)	(1,148,229)	-	(2,148,803)	(59,821,044)
Transfer in / (out) - net	-	(3,206)	(98,709)	-	-	139,678	-	-	(56,715)	-	-	10,616
Closing balance	-	2,074	56,932	1,193,311	2,110	2,756,721	-	9,305	126,828	4	1,083	1,461,374
Other Liabilities												
Profit / return payable	-	2	2,512	10,195	2	15,598	726	8	688	-	2	13,085
Other liabilities	459,000	-	-	-	-	9,626	-	-	-	-	-	29,610
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	-	-	-	-	-	-	3,422	-	-	-	-	-
Meeting fee / remuneration payable	-	-	-	-	-	-	-	400	-	-	-	-
Contingencies and Commitments												
Other contingencies	-	-	-	-	-	900,000	3,220,639	-	-	-	-	-

	2025						2024					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	----- (Rupees in '000) -----											
Income												
Profit / return earned	-	-	29,035	-	-	263,491	-	-	23,522	-	-	120,920
Other income	2,290	-	-	-	14	40,077	-	-	16	-	22	573
Foreign exchange income	1,041	-	-	-	-	-	67,886	-	-	-	-	-
Expense												
Profit / return expensed	23,634	201	4,896	32,356	124	222,338	81,888	2,463	12,683	-	87	528,227
Other administrative expenses	459,118	1,529	74,971	-	-	295,730	-	3,627	35,741	-	-	313,291
Meeting fee / remuneration	-	28,680	628,995	-	-	-	-	28,480	454,570	-	-	-
Contribution to employees provident fund	-	-	-	-	-	416,442	-	-	-	-	-	285,907
Charge for employees gratuity fund	-	-	-	-	-	95,216	-	-	-	-	-	305,706
Donation paid	-	-	-	-	-	126,440	-	-	-	-	-	60,000
Dividend paid	2,290,233	146,897	1	-	-	217,434	2,082,030	462,750	99	-	-	65,287
Others	-	-	-	15,893	-	13,600	38,596	-	-	-	-	-

47 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2025	2024
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	41,099,514	38,792,658
Eligible Additional Tier 1 (ADT 1) Capital	3,000,000	3,000,000
Total Eligible Tier 1 Capital	44,099,514	41,792,658
Eligible Tier 2 Capital	4,908,758	12,171,253
Total Eligible Capital (Tier 1 + Tier 2)	49,008,272	53,963,911
Risk Weighted Assets (RWAs):		
Credit Risk	198,186,749	146,543,665
Market Risk	14,008,884	3,897,306
Operational Risk	83,922,654	73,387,322
Total	296,118,287	223,828,293
Common Equity Tier 1 Capital Adequacy ratio	13.88%	17.33%
Tier 1 Capital Adequacy Ratio	14.89%	18.67%
Total Capital Adequacy Ratio	16.55%	24.11%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

47.1 The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	2025	2024
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	44,099,514	41,792,658
Total Exposures	832,246,504	880,567,551
Leverage Ratio	5.30%	4.75%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	366,424,354	318,819,831
Total Net Cash Outflow	113,706,825	90,470,492
Liquidity Coverage Ratio	322.25%	352.40%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	590,214,409	580,745,235
Total Required Stable Funding	261,833,817	211,839,059
Net Stable Funding Ratio	225.42%	274.14%

- 47.2** The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Bank's website. The link to the full disclosures is available at www.bankislami.com.pk/investor-relations

48 RISK MANAGEMENT

The objective of Risk Management is to effectively manage uncertainties that arise in the normal course of business activities. The risk management function is one of the most important areas of the banking business, and covers a wide spectrum of financial business risk class; including Credit, Market, Liquidity, Operational etc. The Bank follows effective risk governance which commensurate well with its current size and structure.

As a prelude to countering the financial debacle of the recent past, the Basel Committee (Internationally) is raising the resilience of the banking sector by strengthening the regulatory capital framework, essentially building on the three pillars of the Basel II structure. The reforms raise both the quality and quantity of the regulatory capital base and enhance the risk coverage of the capital framework. SBP, while being cognizant of the various reforms in the offing, is reviewing the impact of Basel III (B3) guidelines on the capital structure and CAR (Capital Adequacy Ratio) through quantitative impact studies. Accordingly, the SBP has implemented first phase of Basel III framework with effect from December 31, 2013.

RISK MANAGEMENT FRAMEWORK

A well formulated policy and procedure is critical to an effective Risk Management framework; it then needs to be reinforced through a strong control culture that promotes sound risk governance. The Bank's Risk Management Framework has been developed keeping in mind, that:

- To be effective, control activities should be an integral part of the regular activities of the Bank;
- Every loss or near miss event should provide some Key Learning Outcome (KLO), helping and promoting a better risk identification and mitigation;
- While the reward may well commensurate the level of risk, it has to be viewed in entirety and not in isolation; and
- Critical decision making should be based on relevant research, proper analysis and effective communication within the Bank.

Strategic Level

At the strategic level, the risk related functions are approved by the senior management and the Board. These include: defining risks, setting parameters, ascertaining the institution's risk appetite, formulating strategy and policies for managing risks and establishing adequate systems and controls to ensure that overall risk remains within acceptable level and the reward compensates for the risk taken.

Macro Level

It encompasses risk management within a business area or across business lines. Generally the risk management activities performed by middle management or units devoted to risk reviews fall into this category. Periodical review of various portfolios; stress test and scenario analysis for portfolio resilience; application of statistical tools and information in time series for developing strong inferences are all performed at this level.

Micro Level

Risk management at micro level, is of critical importance. This function if performed with diligence and understanding, can be of maximum benefit to the organization. Micro level risk management includes:

- Business line acquisition, strong adherence to the credit and other related criteria.
- Middle Office monitoring function for a sound risk assessment of various risks inherent in treasury operations.
- Detailed review of various processes and operating procedures, for operational and other risk related assessments.

Risk appetite of the Bank

The risk appetite of the Bank is an outcome of its corporate goal, economic profitability, available resources (size and business life cycle) and most significantly; the controls. The Bank believes in a cautious yet steady approach towards its business objectives and takes a holistic view of its investment and financing requirement.

This approach is primarily based on a viable portfolio build-up with a long-term view; key consideration being the health of various portfolios.

Risk organization

A strong organizational set-up, with clearly defined roles and responsibilities permits a higher level of articulation of the Bank's risk mandate, establishment of a structure that provides for authority, delegation and accountability, and development of control framework. Risk management cannot live in a vacuum; in order to be effective, it has to be run at an enterprise level. Risk governance must involve all relevant parties and should be sanctioned by the Bank's leadership.

The risk management function at the Bank, along with the different committees including ALCO (Asset Liability Committee), MCC (Management Credit Committee), BRMC (Board Risk Management Committee) manage and adhere to the risk management policies and procedures, with an explicit aim to mitigate/ manage risk in line with the Bank's objectives.

Business line accountability

One of the most important features of the risk management process is the business line accountability. Business has to understand the risk implication of specific transaction on the business / portfolio. Some specific risks e.g. reputation risk affects the entire banking business and is not limited to one business line or the other. At BankIslami, as in any other reputable organization, responsibility comes with accountability. Each business segment is responsible for the profit / loss of the business. The management of risk is as much a line function as it supports.

Business lines are equally responsible for the risks they are taking. Because line personnel understand the risks of the business. Lack of an understanding of this by the line management may lead to risk management in isolation.

48.1 Credit Risk

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 Credit Policy approved by the Board of Directors. Credit Risk has certain sub-categories as follows:

(i) Price risk

There is a risk that the asset repossessed due to default of the customer may be sold or leased out to another party at a price lower than the original contract price.

(ii) Counter party risk

The risk that the counter-party defaults during the term of a transaction (Murabahah, Diminishing Musharakah etc.).

(iii) Settlement risk

The risk that the counter-party does not meet its commitments at the maturity of the transaction after the Bank has already met its commitments.

(iv) Country risk

Country Risk can be defined as the risk of adverse impact of certain factors on a country's specific economic, political and social scenario which affects the ability of the country (or a borrower in that country) to repay its obligations. Country risk may be a combination of Transfer Risk and Sovereign Risk.

Particulars of Bank's significant on-balance sheet and off-balance sheet credit risk in various sectors are analyzed as follows:

48.1.1 Due from financial institutions

Credit risk by public / private sector

	Gross due from financial institutions		Non-performing due from financial institutions		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000									
Public/ Government	-	-	-	-	-	-	-	-	-	-
Private	19,000,000	4,272,508	-	14,580	48	-	-	-	-	14,580
	19,000,000	4,272,508	-	14,580	48	-	-	-	-	14,580

48.1.2 Investment in Shariah Compliant debt securities

	Gross Investments		Non-performing investments		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000									
Federal Government Shariah										
Compliant Securities	314,736,239	311,025,501	-	-	-	-	-	-	-	-
Power (electricity), Gas, Water, Sanitary Services	487,721	32,277,326	-	-	-	-	-	-	-	-
Textile	56,616	56,616	56,614	56,615	-	-	56,614	-	-	56,615
Financial	221,250	221,251	221,250	221,251	-	-	-	-	-	-
Production and transmission of energy	71,072	71,072	21,073	21,072	-	-	21,073	-	-	21,072
Chemical and Pharmaceuticals	-	33,333	-	-	-	-	-	-	-	-
Construction	394,692	398,333	-	-	-	-	-	-	-	-
Electronics and electrical appliances	32,800	32,800	32,800	32,800	-	-	32,800	-	-	32,800
Food and Beverages	116,667	55,000	55,000	55,000	-	-	-	-	-	-
Others	1,010,580	-	-	-	-	-	-	-	-	-
	71,332	145,166	-	-	54	-	-	3	-	-
	317,198,969	344,316,398	386,737	386,738	54	-	110,487	3	-	110,487
Credit risk by public / private sector										
Public/ Government	315,223,960	330,109,225	-	-	-	-	-	-	-	-
Private	1,975,009	14,207,173	386,737	386,738	54	-	110,487	3	-	110,487
	317,198,969	344,316,398	386,737	386,738	54	-	110,487	3	-	110,487

48.1.3 Islamic financing, related assets and advances - net

Credit risk by industry sector

	Gross Financing		Non-performing financing, related assets and advances		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000									
Agriculture, Forestry, Hunting and Fishing	14,231,272	9,735,547	996,536	959,860	359,493	546	948,069	565,604	5,162	870,236
Automobile and transportation equipment	2,059,914	27,326	-	-	12,996	-	-	846	871	-
Cement	746,301	2,074,411	500,000	500,000	10,343	-	500,000	20,346	-	500,000
Chemical and Pharmaceuticals	13,665,072	13,679,772	153,138	271,554	123,704	-	116,616	105,329	5,490	271,350
Construction	17,714,095	12,307,002	595,206	683,993	236,842	4,099	594,186	58,560	6,541	643,843
Education	3,926,646	1,822,416	-	-	31,385	661	-	24,153	4,355	-
Electronics and electrical appliances	6,703,771	4,821,646	1,416,444	2,386,032	30,023	341,199	1,335,142	15,148	849	1,561,372
Exports / Imports	400,214	340,578	4,000	319,148	1,375	84,091	4,000	581	-	68,848
Financial	34,824,903	80,105,453	223,400	240,400	46,285	-	223,200	30,454	-	240,189
Food and Beverages	16,520,174	11,440,184	2,454,983	2,177,585	196,113	89	2,319,097	92,487	28,702	1,851,468
Footwear and Leather garments	1,050,913	3,167,440	2,459	2,459	7,695	25	2,459	39,690	227	2,459
Individuals	35,941,604	36,517,973	3,410,987	4,061,066	322,451	155,192	2,740,159	480,925	228,285	3,877,063
Packing and Paper products	5,387,438	4,499,288	1,947	99,762	70,166	6,731	1,947	62,433	1,889	27,523
Power (electricity), Gas, Water, Sanitary Services	13,966,527	16,235,669	375,354	639,354	134,603	-	372,113	91,111	-	572,514
Sugar	44,268,321	23,718,248	43,865	56,892	306,062	10,520	31,390	369,460	7,244	35,581
Textile	10,129,118	15,948,083	558,108	584,108	119,386	62,222	558,108	113,237	66,726	584,108
Transport, Storage and Communication	55,920,921	60,025,854	5,718,198	5,678,438	382,686	126,233	5,651,315	335,991	209	5,611,860
Wholesale and Retail Trade	12,763,727	7,981,804	909,107	911,577	175,343	26,039	900,366	57,310	82,770	891,951
Iron & Steel	7,805,993	3,850,166	312,791	341,228	188,673	6,634	308,576	76,924	2,479	320,110
Health & Care	4,840,434	5,623,932	1,973,120	1,985,154	24,525	41,183	1,972,898	34,081	-	1,971,662
Private Trusts & Non-profit Organization	557,722	402,399	-	2,652	10,071	-	-	3,958	-	1,325
Others	1,338,594	26,970	-	-	19,387	-	-	1,178	-	-
	17,441,501	12,832,649	2,334,961	2,365,496	313,601	75,984	2,314,990	181,419	26,981	2,343,050
	322,205,175	327,184,810	21,984,604	24,266,758	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512

Credit risk by public / private sector		Gross Financing		Non-performing financing, related assets and advances		Credit loss allowance held			Credit loss allowance held		
						Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
2025	2024	2025	2024	2025			2024				
----- Rupees in '000 -----											
Public/ Government	49,877,492	16,591,140	-	-	-	-	-	-	-	-	-
Private	272,327,683	310,593,670	21,984,604	24,266,758	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512	
	322,205,175	327,184,810	21,984,604	24,266,758	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512	

48.1.4 Contingencies and Commitments

Credit risk by industry sector

	2025	2024
----- Rupees in '000 -----		
Agriculture, Forestry, Hunting and Fishing	7,681,901	13,162,722
Mining and Quarrying	-	4,452
Textile	47,432,218	94,496,145
Chemical and Pharmaceuticals	9,454,189	5,280,591
Cement	2,789,986	1,026,046
Sugar	5,036,911	40,339,390
Footwear and Leather garments	700,430	950,197
Automobile and transportation equipment	1,740,919	2,897,916
Education	2,020	131,781
Electronics and electrical appliances	5,589,852	2,839,639
Production and transmission of energy	5,415	1,503,641
Construction	12,654,937	5,062,332
Power (electricity), Gas, Water, Sanitary	1,267,621	6,454,004
Wholesale and Retail Trade	3,826,599	9,962,089
Exports / Imports	7,591,943	77,630,302
Transport, Storage and Communication	3,020,708	8,485,858
Financial	63,808,921	163,704,366
Services	17,681,883	16,085,211
Individuals	852,592	2,368,094
Food and beverages	5,979,166	7,082,198
Manufacturing	8,121,830	17,796,055
Packing and Paper products	5,098,517	3,501,639
Others	27,627,856	15,395,595
	237,966,414	496,160,263

Credit risk by public / private sector

Public/ Government	13,484,804	78,835,704
Private	224,481,610	417,324,559
	237,966,414	496,160,263

48.1.5 Concentration of Financing

The bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 105,708 million (2024: Rs. 130,788 million) are as following:

	2025	2024
----- Rupees in '000 -----		
Funded	86,316,464	121,521,031
Non Funded	19,391,761	9,266,911
Total Exposure	105,708,225	130,787,942

The sanctioned limits against these top 10 exposures aggregated to Rs. 136,758 million (2024: Rs. 141,317 million).

For the purpose of this note, exposure means outstanding funded facilities and utilized non-funded facilities as at the reporting date.

48.1.6 Total funded classified therein held

	2025		2024	
	Amount	Credit loss allowance held	Amount	Credit loss allowance held
----- Rupees in '000 -----				
OAEM	161,609	55,327	264,933	47,483
Substandard	434,709	198,767	1,767,062	981,368
Doubtful	800,477	470,502	911,076	474,167
Loss	20,587,809	20,170,035	21,323,687	20,743,494
Total	21,984,604	20,894,631	24,266,758	22,246,512

48.1.7 Financing - Province/Region-wise Disbursement & Utilization

Province / Region	2025						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
----- Rupees in '000 -----							
Punjab	47,466,801	47,466,801	-	-	-	-	-
Sindh	128,616,232	-	128,616,232	-	-	-	-
KPK including FATA	826,128	-	-	826,128	-	-	-
Baluchistan	377,236	-	-	-	377,236	-	-
Islamabad	79,731,057	-	-	-	-	79,731,057	-
AJK including Gilgit-Baltistan	62,870	-	-	-	-	-	62,870
Total	257,080,324	47,466,801	128,616,232	826,128	377,236	79,731,057	62,870

Province / Region	2024						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
----- Rupees in '000 -----							
Punjab	24,225,818	24,225,818	-	-	-	-	-
Sindh	71,161,540	-	71,161,540	-	-	-	-
KPK including FATA	66,578	-	-	66,578	-	-	-
Baluchistan	24,882	-	-	-	24,882	-	-
Islamabad	13,185,781	-	-	-	-	13,185,781	-
AJK including Gilgit-Baltistan	1,827	-	-	-	-	-	1,827
Total	108,666,426	24,225,818	71,161,540	66,578	24,882	13,185,781	1,827

48.1.8 Forward-looking Information contained in Expected Credit Loss (ECL)

The Bank's Expected Credit Loss (ECL) framework integrates forward-looking information by incorporating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data enables the Bank to better anticipate potential credit losses under varying economic conditions.

To estimate Probability of Default (PD) and Loss Given Default (LGD), the Bank utilizes forecasted macroeconomic data. The key variables considered include Gross Domestic Product (GDP), Consumer Price Index (CPI), Unemployment and Exports. Forecasted data is sourced from reputable institutions such as the International Monetary Fund (IMF). The selection of variables is based on their relevance and sensitivity to specific portfolios.

The Bank has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios are assigned probability weightings of 60% for the Base scenario, 15% for the Best scenario, and 25% for the Worst scenario, ensuring a balanced and comprehensive assessment of credit risk exposure.

As part of its forward-looking assessment, the Bank conducts sensitivity analyses on the macroeconomic indicators used in ECL calculations. As of December 31, 2025, the Bank applied a 10% upward and downward adjustment to the macroeconomic variables in the Base scenario to evaluate the impact on PD. The resulting variations across different portfolio segments under changing economic conditions are as follows:

Segments	Upwards	Downwards
Corporate	-4.63%	4.86%
SME	-3.42%	3.51%
Muskan	-11.41%	12.81%
Auto	-6.77%	7.24%
Agriculture	-4.71%	5.01%

48.1.9 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The bank performs sensitivity analysis on the ECL recognized on each of its segments.

The table below illustrates the loss allowance by segment under the assumption that each forward-looking scenario (Base, Best, and Worst) is applied at full weight individually, instead of distributing probabilities across all three scenarios.

Segment	Total charge as per IFRS 9 Rs.in 000	Base		Best		Worst	
		Total ECL after sensitivity analysis Rs.in 000	Increase / (decrease) in %	Total ECL after sensitivity analysis Rs.in 000	Increase / (decrease) in %	Total ECL after sensitivity analysis Rs.in 000	Increase / (decrease) in %
Corporate	15,173,861	15,152,266	(0.14)	14,976,892	(1.30)	15,341,029	1.10
SME	2,352,215	2,343,718	(0.36)	2,269,361	(3.52)	2,422,319	2.98
Muskun	1,471,347	1,438,323	(2.24)	1,315,839	(10.57)	1,643,911	11.73
Auto	683,312	671,011	(1.80)	606,070	(11.30)	759,178	11.10
Agriculture	275,031	264,240	(3.92)	215,256	(21.73)	336,791	22.46
Advances	5,003,521	5,003,521	-	5,003,521	-	5,003,521	-
Total	24,959,287	24,873,079	0.76	24,386,939	(3.18)	25,506,749	0.96

48.2 Market Risk

Market risk is defined as the risk of losses in on-and-off balance sheet positions arising from movements in market prices e.g. fluctuations in values in tradable, marketable or leasable assets. The risks relate to the current and future volatility of market values of specific assets and of foreign exchange rates and benchmark yields.

The Bank uses various tools and techniques to assess market risk including but not limited to full valuation, stress testing, scenario analysis, VaR. These assessment methods enable the Bank to estimate changes in the value of the portfolio, if exposed to various risk factors.

Moreover, since the Bank does not deal in interest based products, the impact of the above risks will be very minimal. The Bank does not have positions or forward exchange contracts giving mismatches of maturity unless such risks have been taken care of through some other mechanism.

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.

48.2.1 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	71,821,007	-	71,821,007	41,093,952	-	41,093,952
Balances with other banks	1,067,562	-	1,067,562	982,664	-	982,664
Due from financial institutions	18,999,952	-	18,999,952	4,257,928	-	4,257,928
Investments	322,634,360	252,744	322,887,104	344,876,470	175,083	345,051,553
Islamic financings, related assets & advances	291,750,609	-	291,750,609	296,018,363	-	296,018,363
Property and equipment	25,405,457	-	25,405,457	15,102,917	-	15,102,917
Right-of-use assets	5,655,325	-	5,655,325	4,314,535	-	4,314,535
Intangible assets	4,694,747	-	4,694,747	4,050,161	-	4,050,161
Deferred tax assets	4,404,883	-	4,404,883	-	-	-
Other assets	24,656,232	-	24,656,232	26,961,952	-	26,961,952
Non-current assets held for sale	-	-	-	-	-	-
	771,090,134	252,744	771,342,878	737,658,942	175,083	737,834,025

48.2.2 Foreign Exchange Risk

Currency risk is the risk of loss arising from the fluctuations of exchange rates.

In the normal course of conducting commercial banking business, which ranges from intermediation only to taking on principal risk as dealer or as counterparty, the Bank purchases or sells currencies in today / ready and gives or receives unilateral promises for sale or purchase of FX at future dates in a long or short position in different currency pairs. These positions expose the Bank to foreign exchange risk. To control this risk, the Bank primarily uses notional principal limits at various levels to control the open position, and ultimately the residual foreign exchange risk of the Bank. The Bank also strictly adheres to all associated regulatory limits.

Following is the summary of the assets of the Bank subject to foreign exchange risk.

	2025				2024			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
----- Rupees in '000 -----								
Pakistan Rupee	763,658,107	693,698,670	(14,345,814)	55,613,623	733,505,945	661,437,951	(14,345,814)	57,722,180
United States Dollar	6,961,257	26,121,750	9,244,822	(9,915,671)	3,670,976	25,435,436	12,158,782	(9,605,678)
Great Britain Pound	190,723	1,340,810	1,133,227	(16,860)	154,161	1,310,665	1,188,999	32,495
Japanese Yen	10,523	55	-	10,468	4,177	55	-	4,122
Euro	320,359	1,525,187	-	(1,204,828)	265,691	1,321,221	998,033	(57,497)
UAE Dirham	27,295	9,233	-	18,062	83,990	19,421	-	64,569
Asian Currency Unit	105,541	-	-	105,541	42,791	-	-	42,791
Swiss Franc	-	-	-	-	-	-	-	-
Chinese Yuan	12,762	-	-	12,762	17,620	-	-	17,620
Australian Dollar	8,011	2,492	-	5,519	21,028	-	-	21,028
Saudi Riyal	42,146	20,011	-	22,135	61,485	-	-	61,485
Canadian Dollar	6,124	10,762	-	(4,638)	6,124	-	-	6,124
Turkish Lira	30	-	-	30	37	-	-	37
	771,342,878	722,728,970	(3,967,765)	44,646,143	737,834,025	689,524,749	-	48,309,276

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	109,675	-	94,129	-
- Other comprehensive income	-	-	-	-

----- Rupees in '000 -----

48.2.3 Equity Position Risk

Equity position includes the following:

- Strategic investments
- Investment in equities for generating revenue in short term

These equity investments are accounted for and disclosed as per the provisions and directives of SBP, SECP and the requirements of approved International Financial Reporting Standards as applicable in Pakistan.

Provision for diminution in the value of securities is made after considering impairment, if any, in their value and charged to the profit and loss account.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
Impact of 5% change in equity prices on				
- Profit and loss account	-	10,137	-	6,254
- Other comprehensive income	219,797	-	36,028	-

----- Rupees in '000 -----

48.2.4 Yield / Profit Rate Risk

It includes all material yield risk positions of the Bank taking into account all re-pricing and maturity data. It includes current balances and contractual yield rates, the Bank understands that its Islamic financing and related assets shall be re-priced as per their respective contracts.

The Bank estimates changes in the economic value of equity due to changes in the yield rates on on-balance sheet positions by conducting duration gap analysis. It also assesses yield rate risk on earnings of the bank by applying upward and downward shocks.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
Impact of 1% change in profit rates on				
- Profit and loss account	356,511	-	463,866	-
- Other comprehensive income	-	-	-	-

----- Rupees in '000 -----

48.2.5 Mismatch of Yield / Profit Rate Sensitive Assets and Liabilities

		2025										Non-profit bearing financial instruments
Effective Yield / Profit rate	Total	Exposed to Yield / Profit 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		
On-balance sheet financial instruments		----- Rupees in '000 -----										
Assets												
	Cash and balances with treasury banks	71,821,007	-	-	-	-	-	-	-	-	-	71,821,007
0.00%	Balances with other banks	1,067,562	643,286	-	-	-	-	-	-	-	-	424,276
12.89%	Due from financial institutions	18,999,952	18,999,952	-	-	-	-	-	-	-	-	-
11.91%	Investments	322,887,104	20,431,997	4,632,540	287,136,579	4,875,315	-	-	-	-	-	5,810,673
11.18%	Islamic financing, related assets and advances	291,750,609	11,343,262	31,737,969	47,866,864	176,169,182	10,663,315	7,338,083	618,507	1,930,548	4,082,879	-
	Other assets	24,656,232	-	-	-	-	-	-	-	-	-	24,656,232
	731,182,466	51,418,497	36,370,509	335,003,443	181,044,497	10,663,315	7,338,083	618,507	1,930,548	4,082,879	102,712,188	
Liabilities												
	Bills payable	9,895,158	-	-	-	-	-	-	-	-	-	9,895,158
11.56%	Due to financial institutions	14,613,108	1,915,404	1,935,851	479,824	91,379	1,702,196	2,638,217	1,399,810	4,447,692	2,735	-
5.23%	Deposits and other accounts	660,183,339	372,319,983	-	-	-	-	-	-	-	-	287,863,356
	Lease liabilities	6,604,095	-	-	-	-	-	-	-	-	-	6,604,095
14.37%	Subordinated sukuk	3,000,000	-	3,000,000	-	-	-	-	-	-	-	-
	Other liabilities	28,433,270	-	-	-	-	-	-	-	-	-	28,433,270
	722,728,970	374,235,387	4,935,851	479,824	91,379	1,702,196	2,638,217	1,399,810	4,447,692	2,735	332,795,879	
	On-balance sheet gap	8,453,496	(322,816,890)	31,434,658	334,523,619	180,953,118	8,961,119	4,699,866	(781,303)	(2,517,144)	4,080,144	(230,083,691)
Off-balance sheet financial instruments												
	Documentary credits and short-term trade-related transactions	67,948,449	67,948,449	-	-	-	-	-	-	-	-	-
	Commitments in respect of:											
	- forward foreign exchange contracts	85,352,408	40,805,960	18,069,197	25,991,187	486,064	-	-	-	-	-	-
	- other commitments	82,860,291	82,860,291	-	-	-	-	-	-	-	-	-
	Off-balance sheet gap	236,161,148	191,614,700	18,069,197	25,991,187	486,064	-	-	-	-	-	-
	Total Yield/Profit Rate Risk Sensitivity Gap		(131,202,190)	49,503,855	360,514,806	181,439,182	8,961,119	4,699,866	(781,303)	(2,517,144)	4,080,144	(230,083,691)
	Cumulative Yield/Profit Rate Risk Sensitivity Gap		(131,202,190)	(81,698,335)	278,816,471	460,255,653	469,216,772	473,916,638	473,135,335	470,618,191	474,698,335	244,614,644

		2024										Non-profit bearing financial instruments
Effective Yield / Profit rate	Total	Exposed to Yield / Profit 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		
On-balance sheet financial instruments		----- Rupees in '000 -----										
Assets												
	Cash and balances with Treasury Banks	41,093,952	-	-	-	-	-	-	-	-	-	41,093,952
0.00%	Balances with other Banks	982,664	315,823	-	-	-	-	-	-	-	-	666,841
22.36%	Due from financial institutions	4,257,928	4,257,928	-	-	-	-	-	-	-	-	-
17.86%	Investments	345,051,553	52,674,908	28,011,446	262,112,553	1,407,000	-	-	-	-	-	845,646
17.08%	Islamic financing, related assets and advances	296,097,250	36,750,756	50,859,305	53,073,609	88,490,912	971,143	2,996,631	5,200,638	8,447,630	8,914,861	40,391,765
	Other assets	26,883,065	-	-	-	-	-	-	-	-	-	26,883,065
	714,366,412	93,999,415	78,870,751	315,186,162	89,897,912	971,143	2,996,631	5,200,638	8,447,630	8,914,861	109,881,269	
Liabilities												
	Bills payable	13,773,529	-	-	-	-	-	-	-	-	-	13,773,529
14.02%	Due to financial institutions	87,662,161	66,297,367	2,512,160	1,746,603	1,865,443	5,052,892	1,798,429	2,010,952	6,321,441	56,874	-
6.62%	Deposits and other accounts	559,177,932	346,312,991	-	-	-	-	-	-	-	-	212,864,941
	Lease liabilities	4,839,747	-	-	24,314	4,045	26,072	-	4,785,316	-	-	-
18.83%	Subordinated sukuk	3,000,000	-	3,000,000	-	-	-	-	-	-	-	-
	Other liabilities	19,686,466	-	-	-	-	-	-	-	-	-	19,686,466
	688,139,835	412,610,358	5,512,160	1,770,917	1,869,488	5,078,964	1,798,429	6,796,268	6,321,441	56,874	246,324,936	
	On-balance sheet gap	26,226,577	(318,610,943)	73,358,591	313,415,245	88,028,424	(4,107,821)	1,198,202	(1,595,630)	2,126,189	8,857,987	(136,443,667)
Off-balance sheet financial instruments												
	Documentary credits and short-term trade-related transactions	39,937,618	39,937,618	-	-	-	-	-	-	-	-	-
	Commitments in respect of:											
	- forward foreign exchange contracts	174,461,152	101,197,022	42,255,512	29,305,052	1,703,566	-	-	-	-	-	-
	- other commitments	281,040,900	281,040,900	-	-	-	-	-	-	-	-	-
	Off-balance sheet gap	495,439,670	422,175,540	42,255,512	29,305,052	1,703,566	-	-	-	-	-	-
	Total Yield/Profit Rate Risk Sensitivity Gap		103,564,597	115,614,103	342,720,297	89,731,990	(4,107,821)	1,198,202	(1,595,630)	2,126,189	8,857,987	(136,443,667)
	Cumulative Yield/Profit Rate Risk Sensitivity Gap		103,564,597	219,178,700	561,898,997	651,630,987	647,523,166	648,721,368	647,125,738	649,251,927	658,109,914	521,666,247

48.3 Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external / internal events. The risk is different from the others, since it has a greater level of uncertainty and may be termed as a little difficult to measure. The Bank believes that prudence should be lived and breathed through the organizational culture.

At a more formal level, the Bank has strengthened its risk management framework by developing policies, guidelines and manuals. Operational and other risk assessment tool e.g. Risk Control and Self Assessment (RCSA) is being effectively used to assess, mitigate and monitor possible risk that may arise in any of the Bank's financial product or department. Operational Loss Database (OLD) records all the internal / external potential operational losses which helps the management understand the causes and impact of these risks.

48.3.1 Operational Risk-Disclosures Basel II Specific

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 annual gross income of the bank over the past three years with 15% as per guidelines issued by State Bank of Pakistan.

To reduce losses arising from operational risk, the Bank has strengthened its risk management framework by developing strategies, policies, guidelines and manuals. It also includes risk and control self-assessment, key risk indicator, loss data management, improving efficiency and effectiveness of operations and improving quality of human resource through training and mitigation of operational risk.

48.4 Liquidity Risk

Liquidity risk is the potential loss to the Bank arising from its inability either to meet its obligations (financial) or to fund increases in assets as they fall due without incurring unacceptable costs or losses.

BankIslami Pakistan Limited's liquidity at various levels (day to day, short term, long term) is managed by the Treasury along with the Asset and Liability Management Committee (ALCO), which is one of the most important management level committees. Its role cannot be overemphasized here, it serves as a part of the critical trio with risk management and treasury department, monitoring and maintaining key liquidity ratios, a viable funding mix, depositor concentration, reviewing contingency plans etc.

Liquidity risk is defined as the potential loss arising from the Bank's inability to meet in an orderly way its contractual obligations when due. Liquidity risk arises in the general funding of the Bank's activities and in the management of its assets. The Bank maintains sufficient liquidity to fund its day-to-day operations, meet customer deposit withdrawals either on demand or at contractual maturity, meet customers' demand for new financings, participate in new investments when opportunities arise, and to meet any other commitments. Hence, liquidity is managed to meet known as well as unanticipated cash funding needs.

Bank calculates the Liquidity Coverage Ratio (LCR) on monthly basis as per SBP Basel III Liquidity Standards issued under BPRD circular no 08 dated June 23, 2016. The objective of LCR is to ensure the short-term resilience of the liquidity risk profile of Bank which requires banks to maintain sufficient High Quality Liquid Assets (HQLAs) to meet stressed cash outflows over a prospective 30 calendar-days period. As of December 31, 2025, Bank's LCR stood at 322.25% against the SBP's minimum requirement of 100%.

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. Banks are expected to meet the NSFR requirement of at least 100% on an ongoing basis.

Governance of Liquidity Risk Management

Liquidity and related risks are managed through standardized processes established in the Bank. Board and senior management are apprised about liquidity profile of the Bank on periodic basis so as to ensure proactive liquidity management and to avoid abrupt shocks. The management of liquidity risk within the Bank is undertaken within limits and other policy parameters set by ALCO, which meets monthly and reviews compliance with policy parameters. Day to day monitoring is done by the treasury while overall compliance is monitored and coordinated by the ALCO and includes reviewing the actual and planned strategic growth of the business and its impact on the statement of financial position and monitoring the Bank's liquidity profile and associated activities. Bank's treasury function has the primary responsibility for assessing, monitoring and managing bank's liquidity and funding strategy. Treasury Middle Office being part of Risk management group is responsible for the independent identification, monitoring & analysis of risks inherent in treasury operations. The Bank has in place duly approved Treasury investment policy and strategy along with liquidity risk tolerance/appetite levels. These are communicated at various levels so as to ensure effective liquidity management for the Bank.

Funding Strategy

Bank's prime source of liquidity is the customer's deposit base. Within deposits, Bank strives to maintain a healthy core deposit base in form of current and saving deposits and avoid concentration in particular products, tenors and dependence on large fund providers. Further, Bank relies on Interbank placement for stop gap funding arrangements but same is less preferred source of liquidity. Within acceptance, sources of funding are also diversified to minimize concentration. Usually interbank placement is for short term. The Bank follows centralized funding strategy so as to ensure achievement of strategic and business objectives of the Bank.

Liquidity Risk Mitigation Techniques

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios like cash to deposits, financing to deposit ratio, liquid assets to total deposits, Interbank placement to total deposits and large deposits to total deposits which are monitored on daily basis against different trigger levels and communicated to senior management and to ALCO forum regularly. Further, Bank also prepares the maturity profile of assets and liabilities to monitor the liquidity gaps over different time buckets. For maturity analysis, behavioural study techniques are also used to determine the behaviour of non-contractual assets and liabilities based on historic data and statistical techniques. The Bank also ensures to maintain statutory cash and liquidity requirements all times.

Liquidity Stress Testing

As per SBP BSD Circular No. 1 of 2012, liquidity stress testing is being conducted under various stress scenarios. Shocks include the withdrawals of deposits and increase in assets, withdrawals of wholesale / large deposits & interbank placement and utilization of undrawn credit lines etc. Results of same are escalated at the senior level so as to enable the senior management to take proactive actions to avoid liquidity crunch for the Bank.

Contingency Funding Plan

Contingency Funding Plan (CFP) is a part of liquidity management framework of the bank which identifies the trigger events that could cause a liquidity crisis and describes the actions to be taken to manage the crisis. At Bank, a comprehensive liquidity contingency funding plan is prepared which highlights liquidity management chain that needs to be followed. Responsibilities and crisis management phases are also incorporated in order to tackle the liquidity crisis. Moreover, CFP highlights possible funding sources, in case of a liquidity crisis.

Main Drivers of LCR Results

Main drivers of LCR Results are High Quality Liquid Assets and Net cash outflows. Outflows are mainly deposit outflows net of cash inflows which consist of inflows from financing and money market placements up to 1 month. The inputs for calculation of LCR are as prescribed by the regulator.

Composition of High Quality Liquid Assets - HQLA

High Quality Liquid Assets composed of Level-1 Assets which can be included in the stock of liquid assets at 100% of their market value. Bank has taken Cash & treasury balances, Investments in Government of Pakistan backed Sukuks classified as Available for Sale category and foreign currency placements issued by sovereigns. Further, Level 2-A asset category includes investment in corporate sukuk.

Concentration of Funding Sources

Being a commercial bank, it relies on funds provided by depositors. However the Bank has been continuously improving upon its ratio of core deposits. Current and Saving accounts consist of 71.24% of total deposits, term deposits are 28.76% and acceptance from SBP and financial institutions is 2.21% of total deposits. Moreover the Bank does not rely on top few depositors to meet its funding requirements. This clearly shows that the funding sources for the Bank are well diversified.

Currency Mismatch in the LCR

Currency mismatch is minimal as FCY deposits are 4.36% of Bank's total deposits.

48.4.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Bank

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 months to 6 months	Over 6 months 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	71,821,007	71,821,007	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,067,562	1,067,562	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	18,999,952	-	6,999,969	-	11,999,983	-	-	-	-	-	-	-	-
Investments	322,887,104	-	-	-	-	-	2,113,703	4,900,314	76,417,966	81,035,922	91,148,153	61,322,380	5,948,666
Islamic financing, related assets and advances	291,750,609	7,711,793	1,658,804	1,377,374	1,317,931	3,729,543	4,874,434	33,060,351	14,321,859	16,732,619	29,766,019	29,626,315	37,245,169
Property and equipment	25,405,457	-	-	-	641,150	219,648	231,402	710,287	643,016	659,103	2,287,662	2,000,549	5,487,711
Right-of-use assets	5,655,325	-	-	-	1,771	1,554	9,382	18,959	68,079	64,798	431,142	1,447,447	3,612,193
Intangible assets	4,694,747	-	-	-	45,336	45,721	43,038	131,987	138,613	123,384	486,933	390,343	335,183
Deferred tax assets	4,404,883	-	-	-	-	-	-	-	4,404,883	-	-	-	-
Other assets	24,656,232	203,649	45,184	36,301	582,273	98,855	832,993	1,430,243	875,249	1,541,210	2,789,639	3,355,193	3,901,323
	771,342,878	80,804,011	8,703,957	1,413,675	14,588,444	4,095,321	5,991,249	37,465,530	20,947,130	99,943,963	116,797,317	127,968,000	111,903,959
													140,720,322
Liabilities													
Bills payable	9,895,158	9,895,158	-	-	-	-	-	-	-	-	-	-	-
Due to financial institutions	14,613,108	1,483	701,477	29,898	1,182,546	841,791	1,094,060	479,824	76,673	14,706	1,702,196	2,638,217	1,399,810
Deposits and other accounts	660,183,339	285,767	134,891	35,989,993	56,078,291	24,503,474	31,517,792	51,509,016	26,166,438	45,627,352	30,535,741	43,555,580	72,485,535
Lease liabilities	6,604,095	-	-	-	2,786	5,865	4,997	38,389	105,155	108,251	650,340	1,768,046	3,920,266
Subordinated sukuk	3,000,000	-	-	-	-	-	-	-	-	-	-	-	3,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	28,433,270	2,330	46,346	283,346	1,426,752	245,950	1,494,790	1,312,009	920,275	357,723	1,746,053	2,606,986	4,150,398
	722,728,970	10,184,738	882,714	36,303,237	58,690,375	25,597,080	34,111,639	53,339,238	27,268,541	46,108,032	34,634,330	50,568,829	81,956,009
													263,084,208
Net assets	48,613,908	70,619,273	7,821,243	(34,889,562)	(44,101,931)	(21,501,759)	(28,120,390)	(15,873,708)	(6,321,411)	53,835,931	82,162,967	77,399,171	29,947,950
Share capital - net	11,007,991												
Reserves	8,367,375												
Surplus on revaluation of assets	4,315,560												
Unappropriated profit	24,922,982												
	<u>48,613,908</u>												

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 months to 6 months	Over 6 months 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	41,093,952	41,093,952	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	982,664	982,664	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	4,257,928	-	-	4,257,928	-	-	-	-	-	-	-	-	-
Investments	345,051,553	-	-	-	-	-	12,355,659	33,331,908	16,128,393	38,342,604	66,464,383	173,777,489	4,651,117
Islamic financing, related assets and advances	296,097,250	13,806,832	6,569,833	11,014,939	44,171,323	16,191,109	14,899,733	41,866,335	6,026,369	27,447,378	14,560,111	16,663,073	25,262,432
Property and equipment	15,102,917	-	-	-	148,020	147,642	615,875	1,619,906	422,758	417,995	1,552,237	1,218,067	1,641,089
Right-of-use assets	4,314,535	-	-	-	-	-	28,771	5,766	5,366	31,332	-	-	4,243,300
Intangible assets	4,050,161	-	-	-	26,730	26,060	26,005	77,918	77,766	77,295	292,933	250,896	235,241
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	26,883,065	396,819	188,332	315,145	1,647,235	463,284	918,518	1,894,161	1,357,589	1,215,907	2,022,952	3,127,787	6,815,496
	737,834,025	56,280,266	6,758,165	11,330,083	50,251,237	16,828,095	16,460,132	57,842,750	41,222,157	45,292,334	56,802,169	87,724,207	211,975,047
													79,067,384
Liabilities													
Bills payable	13,773,529	13,773,529	-	-	-	-	-	-	-	-	-	-	-
Due to financial institutions	87,662,161	843,553	59,784,883	2,568,096	3,100,837	688,685	1,823,475	1,746,603	359,957	1,505,486	5,052,892	1,798,429	2,010,950
Deposits and other accounts	559,177,932	233,439	20,149,301	46,160,167	57,964,783	12,503,688	27,282,728	38,817,492	17,150,189	34,928,823	23,200,184	34,523,187	57,287,250
Lease liabilities	4,839,747	-	-	-	-	-	-	24,314	4,045	-	26,072	-	4,785,316
Subordinated sukuk	3,000,000	-	-	-	-	-	-	-	-	-	-	-	3,000,000
Deferred tax liabilities	1,384,914	-	-	-	-	-	-	-	1,384,914	-	-	-	-
Other liabilities	19,686,466	17,068	1,248,694	544,132	1,165,267	147,273	952,102	916,719	569,236	404,192	1,080,182	1,517,628	2,509,537
	689,524,749	14,867,589	81,182,878	49,272,395	62,230,887	13,339,646	30,058,305	41,505,128	19,468,341	36,838,501	29,359,330	37,839,244	66,593,053
													206,969,452
Net assets	48,309,276	41,412,677	(74,424,713)	(37,942,312)	(11,979,650)	3,488,449	(13,598,173)	16,337,622	21,753,816	8,453,833	27,442,839	49,884,963	145,381,994
Share capital - net	11,007,991												
Reserves	7,166,819												
Surplus on revaluation of assets	7,396,069												
Unappropriated profit	22,738,397												
	<u>48,309,276</u>												

48.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

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	71,821,007	71,821,007	-	-	-	-	-	-	-
Balances with other banks	1,067,562	1,067,562	-	-	-	-	-	-	-
Due from financial institutions	18,999,952	18,999,952	-	-	-	-	-	-	-
Investments	322,887,104	-	-	2,113,702	81,318,280	81,035,922	91,148,153	61,322,380	5,948,667
Islamic financing, related assets and advances	291,750,609	12,065,902	8,603,977	33,060,351	31,054,478	29,766,019	29,626,315	37,239,813	110,333,754
Property and equipment	25,405,457	642,345	453,439	713,870	1,309,285	2,301,994	2,014,881	5,516,376	12,453,267
Right-of-use assets	5,655,325	1,771	10,936	18,959	132,877	431,142	1,447,447	3,612,193	-
Intangible assets	4,694,747	45,336	88,759	131,987	261,997	486,933	390,343	335,183	2,954,209
Deferred tax assets	4,404,883	-	-	-	4,404,883	-	-	-	-
Other assets	24,656,232	842,541	899,732	1,406,305	2,397,090	2,751,542	3,298,039	3,874,674	9,186,310
	771,342,878	105,486,416	10,056,843	37,445,174	120,878,890	116,773,552	127,925,178	111,900,619	134,927,540
									5,948,667
Liabilities									
Bills payable	9,895,158	9,895,158	-	-	-	-	-	-	-
Due to financial institutions	14,613,108	1,915,404	1,935,851	479,824	91,379	1,702,196	2,638,217	1,399,810	4,450,447
Deposits and other accounts	660,183,339	92,481,962	56,021,266	51,509,016	71,793,790	30,535,741	43,555,580	72,485,535	241,800,429
Lease liabilities	6,604,095	2,786	10,862	38,389	213,406	650,340	1,768,046	3,920,266	-
Subordinated sukuk	3,000,000	-	-	-	-	-	-	-	3,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
Other liabilities	28,433,270	1,759,879	1,742,233	1,313,123	1,278,902	1,747,822	2,609,637	4,154,817	13,826,857
	722,728,970	106,055,189	59,710,212	53,340,352	73,377,477	34,636,099	50,571,480	81,960,428	263,077,733
	48,613,908	(568,773)	(49,653,369)	(15,895,178)	47,501,413	82,137,453	77,353,698	29,940,191	(128,150,193)
									5,948,667
Net assets									
Share capital - net	11,007,991								
Reserves	8,367,375								
Surplus on revaluation of assets	4,315,560								
Unappropriated profit	24,922,982								
	48,613,908								

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	41,093,952	41,093,952	-	-	-	-	-	-	-
Balances with other banks	982,664	982,664	-	-	-	-	-	-	-
Due from financial institutions	4,257,928	4,257,928	-	-	-	-	-	-	-
Investments	345,051,553	-	-	12,355,659	49,460,302	38,342,604	66,464,383	173,777,489	3,755,471
Islamic financing, related assets and advances	296,097,250	75,562,927	31,090,842	41,866,335	33,473,747	14,560,111	16,663,073	25,262,432	57,617,783
Property and equipment	15,102,917	148,020	763,517	1,619,906	840,753	1,552,237	1,218,067	1,641,089	7,319,328
Right-of-use assets	4,314,535	-	-	28,771	11,132	31,332	-	4,243,300	-
Intangible assets	4,050,161	26,730	52,065	77,918	155,061	292,933	250,896	235,240	2,959,318
Deferred tax assets	-	-	-	-	-	-	-	-	-
Other assets	26,883,065	2,547,531	1,381,803	1,894,161	2,573,496	2,022,952	3,127,787	6,815,496	6,519,839
	737,834,025	124,619,752	33,288,227	57,842,749	86,514,490	56,802,169	87,724,206	211,975,046	78,171,739
									895,646
Liabilities									
Bills payable	13,773,529	13,773,529	-	-	-	-	-	-	-
Due to financial institutions	87,662,161	66,297,369	2,512,160	1,746,603	1,865,443	5,052,892	1,798,429	2,010,950	6,378,315
Deposits and other accounts	559,177,932	124,507,690	39,786,416	38,817,492	52,079,012	23,200,184	34,523,187	57,287,250	188,976,701
Lease liabilities	4,839,747	-	-	24,314	4,045	26,072	-	4,785,316	-
Subordinated sukuk	3,000,000	-	-	-	-	-	-	-	3,000,000
Deferred tax liabilities	1,384,914	-	-	1,384,914	-	-	-	-	-
Other liabilities	19,686,466	2,975,161	1,099,375	916,719	973,428	1,080,182	1,517,628	2,509,537	8,614,436
	689,524,749	207,553,749	43,397,951	42,890,042	54,921,928	29,359,330	37,839,244	66,593,053	206,969,452
	48,309,276	(82,933,997)	(10,109,724)	14,952,707	31,592,562	27,442,839	49,884,962	145,381,993	(128,797,713)
									895,646
Net assets									
Share capital- net	11,007,991								
Reserves	7,166,819								
Surplus on revaluation of assets	7,396,069								
Unappropriated profit	22,738,397								
	48,309,276								

49 GENERAL

- 49.1** Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these unconsolidated financial statements, except for captions of the unconsolidated Statement of Financial Position and unconsolidated Profit and Loss Account.
- 49.2** These unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.
- 49.3** The figures in these unconsolidated financial statements have been rounded off to the nearest thousand rupee.
- 49.4 Events after the reporting date**

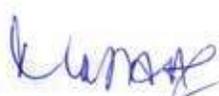
Subsequent to the year end, the Board of Directors proposed a final cash dividend Rs. 1.25 per share. This is an addition to Rs. 1.5 per share (15%) already paid during the year, bringing the total dividend during the year Rs. 2.75 per share (2024: Rs. 2.75 per share). These unconsolidated financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the year end.

50 DATE OF AUTHORISATION FOR ISSUE

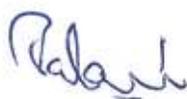
These unconsolidated financial statements were authorized for issue on February 18, 2026 by the Board of Directors of the Bank.



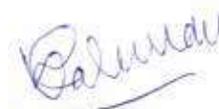
PRESIDENT /
 CHIEF EXECUTIVE
 OFFICER



CHIEF FINANCIAL
 OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

Annexure - I

21	Muhammad Ibrahim Faisal 346-B BLOCK MUHAMMA D ALI JOHA, LAHORE	35202-603256-7	MUHAMMAD RAFIQ	163,484	755,351	918,835	746,771	746,771	746,771
22	Boo Ali- HOUSE NO 315E BLOC K JOHAR TOWN KARACHI	35202-3034495-1	FUSTUM ALI	5,956,368	1,503,988	856,068	711,284	711,284	711,284
23	MUHAMMAD ANEES & REHANA-B-18 SHAD BAGH SOCIETY KARACH	42201-7345935-5	MUHAMMAD LATIF	1,758,000	1,188,000	379,000	695,000	695,000	695,000
24	MIRZA MOAZZAM HUSSAIN NEAR AREA STATE G. TROAD MOHALLAH SULTAN GLURAT	34201-5021752-9	MIRZA DEDAY HUSSAIN	2,004,279	832,514	475,569	598,105	598,105	598,105
25	Umar Noorani-354-ALANE 10, AOH C, NR. NEW AILANE NR. NEW AI LAHORE	35200-1563182-5	GHALIB NOORANI	179,969	665,345	-	595,313	595,313	595,313
26	CHAUDHARY AZHAR HUSSAIN-HOUSE NO 335 RAVI BOCK ALLAMA IQBAL TOWN LAHORE	35202-2607555-7	CHAUDHARY ANWAR HUSSAIN	4,262,229	909,156	741,863	555,805	555,805	555,805
27	RAB NAWAZ-HOUSE NO 449 BLOCK K MODEL TOWN EXT LAHORE	31101-5554519-5	MUHAMMAD JAMIL AKHYER	1,295,000	682,100	624,186	508,621	508,621	508,621
				266,360,633	174,510,332	40,297,562	143,892,592	143,892,592	144,088,592

Annexure - II

ANNEXURE-II

Details of disposal of fixed assets to the Chief Executive Officer or to a Director or to Executives, irrespective of the value, and to any other person having aggregate book value of more than Rs 5 million and particulars of each asset, which has book value of Rs. 500,000 or above during the year are as follows

Asset description	Asset Cost	Accumulated depreciation	WDV	Sale proceeds	Gain/ (loss) on disposal	Mode of disposal	Particulars of Buyer
	----- Rupees in '000 -----						
Culb Membership - Tauseef Ul Haq	2,800	1,011	1,789	2,093	304	Tender	DACC
Culb Membership - Masood M. Khan	2,800	1,556	1,244	1,407	162	Tender	DACC
Leasehold Land - 106 Kanal Multan	451,000	-	451,000	511,158	60,158	Tender	DACC
Total	456,600	2,567	454,033	514,658	60,625		

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KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REPORT

To the members of BankIslami Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **BankIslami Pakistan Limited** (the Bank) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flow statement 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 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 Matter

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.



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Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Valuation of Islamic financing, related assets and advances and off-balance sheet exposure</p> <p>(Refer Note 12.16, 17.3 and 23.1 to the consolidated financial statements)</p> <p>As at 31 December 2025 the Group's Credit loss allowance against Islamic financing, related assets and advances including profit / return accrued and off-balance sheet exposure are amounting to Rs. 25,037.45 million and Rs. 260.39 million respectively.</p> <p>The Group recognizes estimation of expected credit losses ("ECL") in accordance with the application instruction issued by SBP on Islamic financing, related assets and advances and off balance sheet exposure. The estimation of ECL on Islamic financing, related assets and advances including off balance sheet exposure, involves judgement and complexity.</p> <p>The key areas which are subject to management judgement in the estimation of ECL are:</p> <ul style="list-style-type: none"> • Model estimations – judgmental modelling and assumption are used to estimate ECL which involves determining Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"). Respective model assumption is a key driver of complexity and uncertainty and are required in the application of these model for calculation of the ECL estimate. 	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • Performing risk assessment procedures over the credit loss allowance against Islamic financing, related assets and advances and off-balance sheet exposure within the Group's consolidated financial statement. As part of these risk assessment procedures, identifying the portfolios associated with a risk of material misstatement including those arising from judgements over the estimation of ECL either due to inputs, methods or assumptions. • Assessing the design, implementation and operating effectiveness of key controls established by the Group over measurement of ECL and provision calculated as per PR; • We involved in-house specialist who assisted in the following: <ul style="list-style-type: none"> - Evaluating the Group's impairment methodologies for compliance with application instruction issued by SBP for IFRS 9; - Assessing the reasonableness of the Group's methodology and models for determining the economic scenarios used and the probability weightings applied to them by independently



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S. No.	Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • Economic scenarios – IFRS 9 requires the Bank to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Management’s judgement is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. • Qualitative criteria – the criteria selected to identify SICR involves judgment and can lead to unreliable ECL recognized for certain portfolios. <p>In line with the applications instructions on IFRS 9, the Group must compare the ECL for Stage 3 Islamic financing, related assets and advances with the provision determined under the Prudential Regulations “PR” issued by the SBP. The PR requires specific provisioning against the Islamic financing, related assets and advances on the basis of time-based criteria which should be supplemented by a subjective evaluation of the Bank’s credit portfolio. The determination of provision against Islamic financing, related assets and advances, therefore, involves use of management’s judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers’ repayment behaviors and realizability of collateral held by the Group.</p> <p>Because of the high degree of estimation uncertainty and judgement involved in the calculation of ECL, we considered</p>	<p>validating and challenging the assumptions, methodologies, and outputs of the models;</p> <ul style="list-style-type: none"> - Assessing the reasonableness of macro-economic variable and economic forecasts by comparing these to external sourced data extracted; and - Performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. <ul style="list-style-type: none"> • Performing testing on sample basis over key inputs into the ECL calculations with their respective source documents; • Performing sensitivity analysis on the key assumption, that is probability weighted economic scenarios, to assess reasonableness and the risk of biasness by changing weights assigned to each economic scenario; • In accordance with the PR, we sampled at least sixty percent of the total Islamic financing, related assets and advances portfolio and performed credit review through the following substantive procedures: <ul style="list-style-type: none"> - verifying repayments of Islamic financing, related assets and advances/ profit installments and checked that non-performing Islamic financing, related assets and advances have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and, based on review of the individual facts and circumstances, discussions with



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S. No.	Key Audit Matter	How the matter was addressed in our audit
	valuation of Islamic financing, related assets and advances as a key audit matter.	<p>management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate.</p> <ul style="list-style-type: none"> - Assessing the accuracy of specific provision made against non-performing Islamic financing, related assets and advances in accordance with the criteria prescribed under the PR by performing recalculation; • Assessing the appropriateness of SICR criteria applied by the Group by ensuring that the SICR criteria and staging methodology are consistent with the application instructions. • Assessing the higher of Expected Credit Loss (ECL) and provision as per Prudential Regulations (PR) to ensure appropriate recognition for stage 3 loans; and • Evaluating the adequacy of the disclosures, including disclosures of key assumptions, judgements and sensitivities in the consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the Review Report by the Chairman and Directors' Report but does not include the unconsolidated financial statements, 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



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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 (XIX 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- 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 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.

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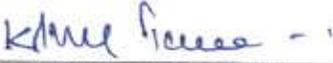
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The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 04 March 2026

Karachi

UDIN: AR202510106SDwbt8E0u


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Chartered Accountants

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Consolidated Statement of Financial Position

As At December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	8	71,821,007	41,093,952
Balances with other banks	9	1,069,764	984,866
Due from financial institutions	10	18,999,952	4,257,928
Investments	11	321,687,104	345,051,553
Islamic financing, related assets and advances	12	291,750,609	296,097,250
Property and equipment	13	25,407,260	15,103,969
Right-of-use assets	14	5,655,325	4,314,535
Intangible assets	15	4,743,612	4,097,172
Deferred tax assets	16	4,286,765	-
Other assets	17	24,664,577	26,883,337
Total Assets		770,085,975	737,884,562
LIABILITIES			
Bills payable	18	9,895,158	13,773,529
Due to financial institutions	19	14,613,108	87,662,161
Deposits and other accounts	20	658,990,028	559,177,927
Lease liabilities	21	6,604,095	4,839,747
Subordinated sukuk	22	3,000,000	3,000,000
Deferred tax liabilities	16	-	1,510,000
Other liabilities	23	28,462,093	19,706,230
Total Liabilities		721,564,482	689,669,594
NET ASSETS		48,521,493	48,214,968
REPRESENTED BY			
Share capital - net	24	11,007,991	11,007,991
Reserves	24	8,367,355	7,166,799
Surplus on revaluation of assets	25	4,306,495	7,387,004
Unappropriated profit		24,839,652	22,653,174
		48,521,493	48,214,968

CONTINGENCIES AND COMMITMENTS

26

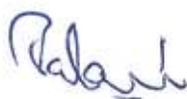
The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.



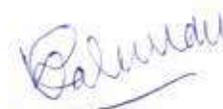
PRESIDENT /
CHIEF EXECUTIVE
OFFICER



CHIEF FINANCIAL
OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

Consolidated Profit and Loss Account

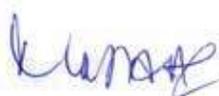
For The Year Ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
Profit / return earned	27	74,235,332	112,800,697
Profit / return expensed	28	38,551,351	66,414,069
Net profit / return		35,683,981	46,386,628
OTHER INCOME			
Fee and commission income	29	3,426,321	2,312,184
Dividend income		254,915	67,289
Foreign exchange income		1,370,707	1,296,019
(Loss) / income from shariah compliant alternative of forward foreign exchange contracts		(89,758)	43,305
Gain on securities - net	30	4,171,644	700,889
Net gains on derecognition of financial assets measured at amortised cost		-	-
Other income	31	380,843	170,848
Total other income		9,514,672	4,590,534
Total Income		45,198,653	50,977,162
OTHER EXPENSES			
Operating expenses	32	31,457,381	22,159,072
Workers' welfare fund		284,969	521,014
Other charges	33	121,770	33,819
Total other expenses		31,864,120	22,713,905
Profit before credit loss allowance		13,334,533	28,263,257
Credit loss allowance, (reversal) and write offs - net	34	(631,655)	2,733,556
Other income / expenses		-	-
PROFIT BEFORE TAXATION		13,966,188	25,529,701
Taxation	35	7,961,513	13,696,160
PROFIT AFTER TAXATION		6,004,675	11,833,541
ATTRIBUTABLE TO:			
Equity Shareholders of the Holding Company		6,004,675	11,833,541
Non-controlling interest		-	-
		6,004,675	11,833,541
----- Rupees -----			
Basic and Diluted earnings per share	36	5.42	10.67

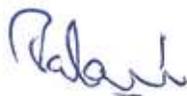
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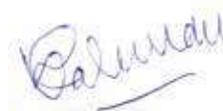
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Consolidated Statement of Comprehensive Income

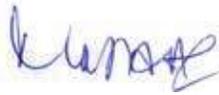
For The Year Ended December 31, 2025

	2025	2024
	----- Rupees in '000 -----	
Profit after taxation for the year	6,004,675	11,833,541
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(4,768,601)	2,805,965
Items that will not be reclassified to profit and loss account in subsequent periods:		
Re-measurement loss on defined benefit obligations - net of tax	(32,064)	(42,689)
Movement in surplus on revaluation of equity investments - net of tax	742,489	3,020
Movement in surplus on revaluation of property and equipment - net of tax	1,410,267	277,152
Movement in surplus on revaluation of non-banking assets - net of tax	(1,307)	18,505
	2,119,385	255,988
Total comprehensive income	3,355,459	14,895,494
ATTRIBUTABLE TO:		
Equity Shareholders of the Holding Company	3,355,459	14,895,494
Non-controlling interest	-	-
	3,355,459	14,895,494

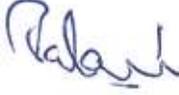
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Consolidated Statement of Changes in Equity

For The Year Ended December 31, 2025

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of		Unappropriated profit	Sub total	Non-Controlling interest	Total
				Investments	Property & Equipment / Non Banking Assets				
	Rupees in '000								
Opening Balance as at January 01, 2024	11,087,033	(79,042)	4,800,091	3,206,282	1,446,743	15,910,503	15,910,503	-	36,371,610
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax*	-	-	-	(166,708)	-	(113,670)	(113,670)	-	(280,378)
Opening Balance as at January 01, 2024	11,087,033	(79,042)	4,800,091	3,039,574	1,446,743	15,796,833	15,796,833	-	36,091,232
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	11,833,541	11,833,541	-	11,833,541
Other comprehensive income for the year ended December 31, 2024:									
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	2,805,965	-	-	-	-	2,805,965
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	3,020	-	-	-	-	3,020
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(42,689)	(42,689)	-	(42,689)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	277,152	-	-	-	277,152
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	18,505	-	-	-	18,505
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	2,808,985	295,657	(42,689)	(42,689)	-	3,061,953
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(202,716)	202,716	202,716	-	-
Transfer to statutory reserve	-	-	2,366,708	-	-	(2,366,708)	(2,366,708)	-	-
Transactions with owners, recorded directly in equity									
Final cash dividend to shareholders for the year 2023 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)	-	(1,108,703)
First Interim cash dividend to shareholders for the year 2024 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)	-	(1,663,055)
Opening Balance as at January 01, 2025	11,087,033	(79,042)	7,166,799	5,848,559	1,538,445	22,653,174	22,653,174	-	48,214,968
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	6,004,675	6,004,675	-	6,004,675
Other comprehensive income for the year ended December 31, 2025:									
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(4,768,601)	-	-	-	-	(4,768,601)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	742,489	-	-	-	-	742,489
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(32,064)	(32,064)	-	(32,064)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	1,410,267	-	-	-	1,410,267
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(1,307)	-	-	-	(1,307)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	(4,026,112)	1,408,960	(32,064)	(32,064)	-	(2,649,216)
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(8)	8	8	-	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	(27,713)	27,713	27,713	-	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(184,884)	184,884	184,884	-	-
Gain on sale of equity instruments-FVOCI	-	-	-	(79,188)	-	79,188	79,188	-	-
Transfer to statutory reserve	-	-	1,200,556	-	-	(1,200,556)	(1,200,556)	-	-
Transactions with owners, recorded directly in equity									
Final cash dividend to shareholders for the year 2024 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)	-	(1,385,879)
First Interim cash dividend to shareholders for the year 2025 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)	-	(1,663,055)
Closing Balance as at December 31, 2025	11,087,033	(79,042)	8,367,355	1,743,259	2,563,236	24,839,652	24,839,652	-	48,521,493

*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 50 and annexures I and II form an integral part of these consolidated financial statements.



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Consolidated Cash Flow Statement

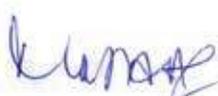
For The Year Ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		13,966,188	25,529,701
Less: Dividend income		(254,915)	(67,289)
		13,711,273	25,462,412
Adjustments for non-cash charges and other items:			
Net profit / return		(35,683,981)	(46,386,628)
Depreciation on property and equipment	32	2,288,356	1,695,821
Depreciation on non-banking assets	32	1,280	2,327
Depreciation on right-of-use assets	32	1,786,887	1,323,414
Amortisation		418,046	275,027
Depreciation on operating Ijarah assets		324,498	153,099
Finance charges on leased assets	28	892,690	806,755
Credit loss allowance, (reversal) and write offs - net	34	(631,655)	2,733,556
Unrealized gain on revaluation of investments classified as FVPL	30	(6,398)	(54,344)
Charge for defined benefit plan		95,216	305,706
Gain on sale of property and equipment	31	(128,291)	(50,447)
Gain on sale of non-banking assets	31	(13,818)	-
		(30,657,170)	(39,195,714)
		(16,945,897)	(13,733,302)
(Increase) / decrease in operating assets			
Due from financial institutions		(14,727,492)	12,247,450
Securities classified as FVPL		(71,263)	54,344
Islamic financing, related assets and advances		4,628,640	(69,116,983)
Other assets (excluding advance taxation)		(6,485,510)	2,379,820
		(16,655,625)	(54,435,369)
(Decrease) / increase in operating liabilities			
Bills payable		(3,878,371)	8,648,352
Due to financial institutions		(73,049,053)	27,003,105
Deposits and other accounts		99,812,101	36,637,007
Other liabilities (excluding current taxation)		13,227,625	(1,811,284)
		36,112,302	70,477,180
		2,510,780	2,308,509
Profit / return received		79,612,834	118,028,120
Profit / return paid		(40,022,146)	(67,256,370)
Income tax paid		(13,270,185)	(15,775,823)
Payment to gratuity fund		(200,000)	(300,000)
Net cash generated from operating activities		28,631,283	37,004,436
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		19,352,154	(27,416,784)
Dividends received		254,915	67,289
Investments in property and equipment		(11,676,728)	(4,246,947)
Investments in intangible assets		(1,067,519)	(723,277)
Proceeds from sale of non-banking assets		143,750	-
Proceeds from disposal of property and equipment		590,820	76,201
Net cash generated from / (used in) investing activities		7,597,392	(32,243,518)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(2,384,077)	(2,555,969)
Dividend paid		(3,032,645)	(2,939,378)
Proceeds from issuance of subordinated sukuk		-	150,000
Net cash used in financing activities		(5,416,722)	(5,345,347)
Increase / (decrease) in cash and cash equivalents		30,811,953	(584,429)
Cash and cash equivalents at the beginning of the year		42,078,818	42,663,247
Cash and cash equivalents at the end of the year	38	72,890,771	42,078,818

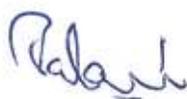
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Notes to and Forming Part of the Consolidated Financial Statements

For The Year Ended December 31, 2025

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

1.1 BankIslami Pakistan Limited (Holding Company or the Holding Company)

BankIslami Pakistan Limited (the Holding Company) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Holding Company on March 18, 2005. The Holding Company commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006 on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Holding Company is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Holding Company is operating through 569 branches including 60 sub-branches as at December 31, 2025 (December 31, 2024: 540 branches including 60 sub-branches). The registered office of the Holding Company is situated at 11th Floor, Executive Tower Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Holding Company's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

The Holding Company is a subsidiary of JS Bank Limited (JSBL), which holds 75.12% shareholding in the Holding Company. Further JSBL is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL), making JSCL the ultimate parent of the Holding Company.

1.2 Subsidiary Companies

	Note	Percentage of Holding	
		2025	2024
		Percentage	
My Solutions Corporations Limited	1.2.1	100%	100%
BIPL Exchange Company (Private) Limited	1.2.2	100%	-

1.2.1 My Solutions Corporation Limited (the Company) was incorporated as a private limited company on November 05, 1995 and was converted into a public limited company on March 24, 2003. The Company is currently dormant. Its registered office is situated at the 9th floor, Trade Centre, I.I Chundrigar Road, Karachi.

1.2.2 During the period, the Holding Company has incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Holding Company pursuant to receipt of No Objection Certificate from the State Bank of Pakistan. The principal business of the Company, upon commencement of operations, will be to provide foreign exchange services. Currently, the Company is in the process of submission of application for obtaining In-Principle approval of the Exchange Company from the State Bank of Pakistan.

2 BASIS OF PRESENTATION

2.1 The Holding Company provides financing mainly through Murabaha, Istisna, Diminishing Musharakah, Import Murabaha, Salam, Musawamah, Running Musharaka (Shirkat-ul-Aqd), Ijarah and other Islamic modes as briefly explained in note no. 7.5 to these consolidated financial statements.

The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognized in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognized as charity payable as directed by the Shariah Board of the Holding Company.

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and the subsidiary company from the date that control of the subsidiary by the Holding Company commences until the date that control ceases. The financial statements of the subsidiary company are incorporated on a line-by-line basis and the investment held by the Holding Company is eliminated against the corresponding share capital of subsidiary in these consolidated financial statements. Material intra-group balances and transactions are eliminated.

2.3 Effective May 07, 2015, the defunct KASB Bank Limited (amalgamated entity) was amalgamated within and into the Holding Company. As the amalgamated entity operated as a conventional bank, any assets or liabilities which are not Shariah compliant are shown separately within the consolidated financial statement line items.

2.4 The Holding Company believes that there is no significant doubt on the Holding Company's ability to continue as a going concern. Therefore, these consolidated financial statements continue to be prepared on the going concern basis.

3 STATEMENT OF COMPLIANCE

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 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 State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

3.1 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by SBP and SECP differ with the requirements of the 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 disclosures made in these consolidated financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated 01 July 2024 and accounting and financial reporting standards as applicable in Pakistan.

3.3 The SBP, through its BSD Circular Letter No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.

3.4 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly consolidated financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these consolidated financial statements.

3.5 The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

- 3.6** The State Bank of Pakistan (SBP) has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. The impact of profit of financing in advance stage is Rs. 286.924 million (net of tax) excluding any Effective Profit Rate (EPR) effect.

The Holding Company has received deferment of recording income and expense at EIR via letter from SBP till December 31, 2025. Consequently, these deferred requirements of IFRS 9 have not been considered in the preparation of these annual consolidated financial statements. Nevertheless, the Holding Company has performed a preliminary assessment of the potential impact of adoption of these deferred requirement based on its consolidated statement of financial position as at December 31, 2025. The impact of changes in accounting policy on adoption of EIR will be as follows:

Profit / return earned and Profit / return expensed

Profit / return earned and Profit / return expensed are recognised in consolidated profit and loss account under the effective yield rate method (EIR). The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the EIR for financial instruments other than purchased or originated credit-impaired assets, the Holding Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit impaired financial assets, a credit-adjusted EIR is calculated using estimated future cash flows including ECL.

The calculation of the EIR includes transaction costs and fees that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The cumulative estimated adjustment, net of tax, arising from the adoption of the EIR method as at January 01, 2026 is not material and accordingly, has not been disclosed in these consolidated financial statements.

4 CHANGES IN REPORTING STANDARDS AND INTERPRETATIONS

4.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

There are certain interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations and therefore not detailed in these consolidated financial statements.

4.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

Following standards, amendments and interpretations with respect to accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual improvement to IFRS Accounting Standards - Volume 11	January 01, 2026
IFRS S1 - General Requirements for Disclosure of Sustainability - related Financial Information	January 01, 2026
IFRS S2 - Climate - related disclosure	January 01, 2026
IFRS 1 – First-time Adoption of International Financial	January 01, 2004
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027

The above standards are either not applicable to the Holding Company or are not expected to have any material impact on the Holding Company's financial statements. However, SECP vide S.R.O 742 (I)/2025 (dated 16 April 2025) notified that International Financial Reporting Standard (IFRS 7 - 'Financial Instruments: Disclosures' shall be followed by Banks, for the purpose of financial statements, from the annual reporting periods beginning on or after January 01, 2026 (earlier application is permitted).

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain accounting estimates. It also requires the management to exercise judgement in the process of applying the Holding Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets, liabilities, income, and expenses. The areas where various assumptions and estimates are significant to the Holding Company's financial statements or where judgement was exercised in the application of accounting policies are as follows:

	Note
(a) Classification of financial assets	7.1.2
(b) Valuation and impairment of investments in associates	7.4
(c) Valuation and Impairment of financial instruments	7.1.4
(d) Valuation and depreciation of property and equipment	7.6.2
(e) Determination of Ijarah (lease) term and the discount rate for recognition of Ijarah (lease) liabilities and depreciation on related right-of-use assets	7.6.3
(f) Valuation and amortization of intangible assets	7.6.4
(g) Valuation of non-banking assets acquired in satisfaction of claims	7.8
(h) Valuation of defined benefit plans	7.12.1
(i) Taxation	7.7
(j) Valuation of shariah compliant forward exchange contracts	7.18.4

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

6 BASIS OF MEASUREMENT

6.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except for certain fixed assets, certain investments, foreign currency balances, commitments in respect of shariah compliant alternative of foreign exchange contracts and non-banking assets acquired in satisfaction of claims have been marked to market and are carried at fair value. Further, staff retirement benefits as discussed in note numbers 7.12 and 40 to the consolidated financial statements have been carried at present values as determined under the International Accounting Standards (IAS) 19 (revised) 'Employee Benefits'.

6.2 Functional and Presentation Currency

These consolidated financial statements are presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency.

6.3 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

7 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, except as disclosed in note 7.1 below.

7.1 IFRS 9 - Financial Instruments

In accordance with BPRD Circular Letter No. 16 dated July 29, 2024, the State Bank of Pakistan (SP) directed banks to measure unlisted equity securities at fair value in line with the application instructions of IFRS 9, effective January 01, 2025. Accordingly, the Holding Company measures unlisted equity securities at fair value using appropriate valuation techniques and models in accordance with IFRS 13 - Fair Value Measurement. The Holding Company assessed the impact of this change at the beginning of the current accounting period and concluded that the effect was not material; therefore, no adjustment was made to opening equity. The impact has been recognized prospectively during the current accounting period. The impact of the application as at December 31, 2025 is presented below:

	(Rupees in '000)
Increase in investments - unlisted equity securities	11,657
Increase in deferred tax liabilities	6,062
Increase in revaluation of assets	5,595
Increase in unappropriated profit	-

The Holding Company has adopted IFRS 9 in accordance with the Application Instructions from January 01, 2024, using the modified retrospective approach and has not restated comparatives for the 2023 reporting period and the differences in carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at January 01, 2024, as permitted under the specific transitional provisions in the Standard. Accordingly, the information presented for 2023 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2024 under IFRS 9.

SBP through its BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, has amended and extended the timelines for application instructions. Under the revised guidelines, banks are required to implement modification accounting for financial assets and liabilities in accordance with the Standard. These changes took effect from October 01, 2024, and have been applied retrospectively from January 01, 2024. SBP through its BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, SBP further clarifies that modification accounting to be applied to loans modified on or after January 01, 2020.

7.1.2 Classification and measurement

Under the Standard, classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at fair value through profit and loss (FVPL) regardless of the business model in which they are held. Further, classification is categorized as follows:

Financial Assets

The categories for classification of financial assets under IFRS 9 are as follows:

- Financial assets at fair value through profit or loss account (FVPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at amortised cost

Financial Liabilities

Financial liabilities are either classified as fair value through profit or loss (FVPL), when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVPL are measured at fair value and all the fair value changes are recognised in profit and loss account.

7.1.3 Business Model and SPPI Assessments

Under IFRS 9, the classification of the financial assets is based on two criteria: a) the Holding Company's business model for managing the assets; and b) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

a) Business model assessment

The Holding Company determines its business model at the level that best reflects how it manages financial assets to achieve its business objective. The Holding Company's business model 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 profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing 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.
- How managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The expected frequency, volume and timing of sales are also important aspects of the Holding Company's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Holding Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

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 Holding Company's original expectations, the Holding Company 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.

Transfer of financial assets to third parties in transactions do not qualify for derecognition because such transfer does not effect the Holding Company's contractual rights to receive the cash flows associated with the said financial assets and is consistent with the Holding Company's continuing recognition criteria of the financial assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss (FVPL) because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Separately, for equity investments that are not held for trading, IFRS 9 allows the Holding Company to make an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income (OCI). This election is made at the individual instrument (scrip) level.

Eventually, the financial assets fall under either of the following three business models:

- Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows.
- Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets.
- Other business models: Held for trading which is evaluated on fair value basis and measured at FVPL because they neither are held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

b) Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

The Holding Company 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 elements of profit within a financing arrangement are the consideration for the time value of money, credit risk, liquidity risk, and basic lending costs associated with the financial asset. To make the SPPI assessment, the Holding Company applies judgement 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.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

If the SPPI test is met, the classification of the financial asset depends on the business model:

- Amortized Cost – If the financial asset is held to collect contractual cash flows.
- Fair Value Through Other Comprehensive Income (FVOCI) – If the financial asset is held both to collect contractual cash flows and for sale.
- Fair Value Through Profit or Loss (FVPL) – If the SPPI test is failed or the business model requires fair value measurement.

7.1.4 Initial recognition and subsequent measurement

The classification and subsequent measurement requirements of IFRS 9 categories are as follows;

Financial Assets

a) Amortised cost (AC)

The Holding Company classifies its debt based financial assets at amortised cost only if both of the following criteria are met and is not designated as at FVPL:

- the asset is held within a business model whose objective is to hold assets to collect Contractual Cash Flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI test) on the principal amount outstanding.

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value.

After initial measurement, these financial instruments are subsequently measured at amortised cost using the Effective Profit Rate (EPR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EPR. The amortisation is included in "Profit Income" in the Income Statement.

Staff and Temporary Economic Refinance Facility (TERF) financing are recognized at fair value at the time of disbursement. The fair value is determined by discounting the expected future cash flows using the prevailing market rates for instruments.

b) Fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income comprise:

- equity securities which are not held for trading, and for which the company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss, and
- debt securities where the contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets under FVOCI category are initially recognised at fair value.

These financial instrument are subsequently measured at fair value. Movements in the carrying amount from one reporting date to other are taken through OCI.

c) Fair value through profit or loss (FVPL)

The Holding Company classifies the following financial assets at fair value through profit and loss:

- debt investments that do not qualify for measurement at either amortised cost or at fair value through other comprehensive income; and
- equity investments that are held for trading.

Financial assets under FVPL category are initially recognised at fair value.

In addition, on initial recognition, the Holding Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

These financial instrument are subsequently measured at fair value. Changes in the fair value of financial assets at FVPL are recognised in through profit and loss. Profit income from debt instruments is included in the finance income.

Financial Liabilities

Financial liabilities classified at amortised cost are initially recorded at their fair value and subsequently measured using the effective yield rate method. Profit expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

7.1.5 Derecognition

Financial assets

The Holding Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Holding Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit and loss. Cumulative gain / loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit and loss on de-recognition of such securities.

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit and loss.

7.1.6 Modification

Financial Assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Holding Company performs an assessment to determine whether the modifications result in the derecognition of that financial asset.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Holding Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual financial assets are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Holding Company first recalculates the gross carrying amount of the financial asset using the original effective yield rate of the asset and recognize the resulting adjustment as a modification gain or loss in profit and loss.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective yield rate method.

Financial Liabilities

The Holding Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability recognized and consideration paid is recognized in profit and loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective yield rate and the resulting gain and loss is recognized in profit and loss.

For financial liabilities, the Holding Company considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

7.1.7 Reclassification

Financial liabilities are not reclassified subsequent to initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Holding Company changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at FVOCI do not affect effective yield rate or expected credit loss computations.

Reclassified from amortised cost

Where financial assets held at amortised cost are reclassified to financial assets held at FVPL, the difference between the fair value of the assets at the date of reclassification and the previously recognised amortised cost is recognised in statement of profit and loss.

For financial assets held at amortised cost that are reclassified to FVOCI, the difference between the fair value of the assets at the date of reclassification and the previously recognised gross carrying value is recognised in comprehensive income. Additionally, the related cumulative expected credit loss amounts relating to the reclassified financial assets are reclassified from provisions to a separate reserve in comprehensive income at the date of reclassification.

Reclassified from fair value through other comprehensive income

Where financial assets held at FVOCI are reclassified to financial assets held at FVPL, the cumulative gain or loss previously recognised in comprehensive income is transferred to the profit and loss.

For financial assets held at FVOCI that are reclassified to financial assets held at amortised cost, the cumulative gain or loss previously recognised in comprehensive income is adjusted against the fair value of the financial asset such that the financial asset is recorded at a value as if it had always been held at amortised cost. In addition, the related cumulative expected credit losses held within comprehensive income are reversed against the gross carrying value of the reclassified assets at the date of reclassification.

Reclassified from fair value through profit or loss

Where financial assets held at FVPL are reclassified to financial assets held at FVOCI or financial assets held at amortised cost, the fair value at the date of reclassification is used to determine the effective yield rate on the financial asset going forward. In addition, the date of reclassification is used as the date of initial recognition for the calculation of expected credit losses. Where financial assets held at FVPL are reclassified to financial assets held at amortised cost, the fair value at the date of reclassification becomes the gross carrying value of the financial asset.

7.1.8 Impairment and measurement of ECL

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), Ijarah / Diminishing Musharaka receivables, and certain financing commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL).

Based on the requirements of the Standard and SBP's Application Instructions, the Holding Company has performed an ECL assessment considering the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Holding Company expects to receive, including any form of collateral.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Holding Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Holding Company if the commitment is drawn down and the cash flows that the Holding Company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Holding Company expects to recover.

Non-Performing financial assets

At each reporting date, the Holding Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'non-performing' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing by the Holding Company on terms that the Holding Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A financing that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Under the IFRS 9 Application instructions, the Holding Company is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Holding Company is required to calculate ECL on its non-performing financial assets as higher of provision under Prudential Regulations (PR) or ECL under IFRS 9.

The Holding Company calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR or ECL under IFRS 9 at borrower / facility level, whereas against the retail borrowers the Holding Company will calculate ECL at higher of PR or ECL under IFRS 9 at segment / product basis as instructed under Annexure-A of BPRD Circular no 16 of 2024.

Reclassified from fair value through profit and loss

Purchase or Originated Credit Impaired (POCI) financial assets are assets that are credit-impaired on initial recognition. Expected credit loss for these assets is not recognized in a separate loss provision on initial recognition, as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognized as a loss allowance after initial recognition is equal to the changes in lifetime ECL since the initial recognition of the asset.

7.1.9 Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Holding Company uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or profit payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

Under the SBP's instructions, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of the Standard has stabilized, Stage 1 and Stage 2 provisions would be made as per the Standard's ECL criteria and Stage 3 provisions would be made considering higher of the Standard's ECL or provision computed under existing requirements of Prudential Regulations (PRs) issued by SBP on a segment basis for retail financing and ORR obligor basis for corporate / commercial / SME portfolio.

As required by the Application Instructions, financial assets may be reclassified out of Stage 3 if they meet the requirements of PRs. Financial assets in Stage 2 may be reclassified to Stage 1 if the conditions that led to a SICR no longer apply. However, a minimum cooling period of 3 months / 3 installments (whichever is last) is required before any financial asset is moved back to Stage 1. Any upgrading from stage 3 to stage 2 must be subject to a cooling off period of as per prudential regulations. If the facility has been regular during the cooling off period, it will move back to Stage 2 after which the criteria for moving from Stage 2 to Stage 1 will apply. An exposure cannot be upgraded from Stage 3 to Stage 1 directly and should be upgraded to Stage 2 initially.

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure-C of BPRD Circular no 3 of 2022.

The Holding Company will not rebut the 30 DPD presumption as a key SICR criterion.

The Holding Company may override the criteria supported by reasonable evidence on a case by case basis. This includes:

- Cases of technical delinquencies (for example, accounts marked as DPD 30+ owing to administrative reasons and not credit related concerns; or cases where there is no dispute regarding payment amount).
- Cases of delinquencies where payments on facilities are linked to government payments causing such delinquencies.

However, any such specific override will require approval from Chief Risk Officer.

The Holding Company measures ECL on a lifetime basis for Purchased or originated credit - Impaired (POCI) instruments throughout the life of the instrument. However, ECL is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Holding Company recognises the change in lifetime expected credit losses arising subsequent to initial recognition in the profit and loss account and the cumulative change as a loss provision. Where lifetime ECL on POCI instruments are less than those at initial recognition, then the favorable differences are recognised as impairment gains in the statement of profit and loss.

Undrawn financing commitments and guarantees

'Financial guarantees' are contracts that require the Holding Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Financing commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a financing at a below-market profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

When estimating lifetime ECL for undrawn financings commitments, the Holding Company 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 cash flows if the financings are drawn down, based on a probability-weighting of the three scenarios.

7.1.10 Governance, ownership and responsibilities

The Holding Company has adopted a governance framework requiring the Risk, Finance, Operations, Internal Audit and IT functions to effectively work together to ensure input from all business lines. IFRS 9 requires robust credit risk models that can predict Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The Holding Company's Risk Management Department has developed models / methodologies for PD, LGD and Credit Conversion Factors (CCF). These models shall be validated on annual basis considering the following aspects:

- Quantitative Validation: ECL model design validation, data quality validation and benchmarking with external best practices.
- Quantitative Validation: Calibration testing which ensures the accuracy of the observed PDs.

The Risk Department will define the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk department will also take the ownership of the impact of ECL on bank's capital.

The Holding Company's Finance Department will perform ECL calculation. As a result, the department will then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios. Risk Management Department shall also present quarterly progress report to its Board Risk Management Committee.

The IT Department shall identify, prepare and extract the data required for the risk parameters modelling and ECL calculations. IT department shall also support project owners for system development and upgrades.

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7.2 Cash and cash equivalents

Cash and cash equivalents as referred to in the consolidated cash flow statement comprise cash and non restricted balances with treasury and other banks less overdrawn nostro accounts. Restricted balances not available for use, if any, are excluded from cash and cash equivalents.

7.3 Due to / from financial and other institutions

7.3.1 Bai Muajjal

In Bai Muajjal transactions, the Holding Company sells sukuk on deferred payment basis to financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the credit period.

7.3.2 Musharakah

In Musharakah, the Holding Company invests / accepts in the Shariah compliant business pools of / from the financial institutions as per the Shariah principles of profit and loss sharing.

7.3.3 Musharakah from State Bank of Pakistan under Islamic Export Refinance Scheme (IERS)

Under IERS, the Holding Company accepts funds from the SBP under Shirkat-ul-Aqd to constitute a pool for investment in export refinance portfolio of the Holding Company under the Shariah guidelines issued by the SBP. The profit of the pool is shared as per the agreed PSR between the partners.

7.3.4 Acceptances from State Bank of Pakistan for financial assistance

The Holding Company has recorded Acceptances from State Bank of Pakistan for financial assistance at its fair value which is amortized over its agreed term.

7.3.5 Commodity Murabaha

In Commodity Murabaha, the Holding Company sells commodities 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.

7.3.6 Wakalah

In Wakalah, the Holding Company accepts / places funds from / with financial Institutions by entering into Investment Agency for the funds to be invested in profitable avenues as Wakeel / on behalf of the Muwakkil.

7.4 Investments

Associates

Associate is an entity over which the Holding Company has significant influence but not control. Investment in associates are initially carried at cost.

7.5 Islamic financing, related assets and advances

7.5.1 Islamic financing and related assets are financial products originated by the Holding Company and principally comprise of Murabahah, Istisna, Ijarah, Salam, Muswammah, Diminishing Musharakah, Running Musharakah (Shirkat-ul-Aqd) and other Islamic modes of financing and the related assets.

As a general rule, funds disbursed under financing arrangements for purchase of goods / assets are recorded as advance. On culmination, financings are recorded at the deferred sale price net of profit. Goods purchased but remained unsold at the consolidated statement of financial position reporting date are recorded as inventories.

7.5.2 Ijarah Financing {Ijarah contracts where the Holding Company acts as Mujir (lessor)}

Ijarah financing executed on or before December 31, 2008 have been accounted for under finance method, thereafter all Ijarah financing are accounted for under IFAS-2.

- (a) Under finance method, the present value of minimum Ijarah payments have been recognized and shown under Islamic financing and related assets. The unearned income i.e. the excess of aggregate Ijarah rentals over the cost of the asset and documentation charges under Ijarah facility is deferred and then amortized over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah. Gains / losses on termination of Ijarah contracts are recognized as income on a receipt basis. Income on Ijarah is recognized from the date of delivery of the respective assets to the Mustajir (lessee).
- (b) Under IFAS-2 method, assets underlying Ijarah financing have been carried at cost less accumulated depreciation and impairment, if any, and are shown under Islamic financing and related assets. Rentals accrued from Ijarah financing net of depreciation charge are taken to the consolidated profit and loss account. Depreciation on Ijarah assets is charged by applying the straight line method over the Ijarah period which is from the date of delivery of respective assets to Mustajir up to the date of maturity / termination of Ijarah agreement.

7.5.3 Murabahah

Murabahah is a sale transaction with the purchase ordered wherein the first party (the Holding Company) sells to the client / customer Shariah compliant assets / goods for cost plus a pre-agreed profit after getting title and possession of the same. In principle, on the basis of an undertaking (Promise-to-Purchase) from the client (the purchase ordered), the Holding Company purchases the assets / goods subject of the Murabahah from a third party and takes the possession thereof. However, the Holding Company can appoint the client as its agent to purchase and take possession of the assets / goods on its behalf. Thereafter, it sells it to the client at cost plus the profit agreed upon in the promise.

7.5.4 Istisna

Istisna is a contract where the buyer (the Holding Company) orders the client (seller / manufacturer) to manufacture and deliver specified goods at an agreed contract price upon completion. Istisna is used with Wakalah agreement to provide financing mainly to manufacturers. Thus the transaction consists of two stages: (i) Bai Istisna whereby the Holding Company purchases goods from the client and (ii) Wakalah whereby the Holding Company after receipt / possession of goods, appoints the client its agent to sell the goods in the market.

7.5.5 Diminishing Musharakah

Diminishing Musharakah represents an asset in joint ownership whereby a partner promises to buy the equity share of the other partner until the ownership of the asset is totally transferred to him. The partner using the asset pays the proportionate rental of such asset to the other partner (the Holding Company).

7.5.6 Import Murabahah

Import Murabahah is a product, used to finance a commercial transaction which consists of purchase by the Holding Company (generally through an undisclosed agent) the goods from the foreign supplier and selling them to the client after getting the title and possession of the goods. Murabahah financing is extended to all types of trade transactions i.e., under Documentary Credits (LCs), Documentary Collections and Open Accounts.

7.5.7 Salam

Salam is a sale transaction where the seller undertakes to supply some specific goods to the buyer at a future date against an advance price fully paid on spot. In Salam financing, the transaction consists of two stages: (i) Bai Salam whereby the Holding Company purchases goods from the client and (ii) Wakalah whereby the Holding Company after receipt / possession of goods, appoints the client its agent to sell the goods in the market.

7.5.8 Musawamah / Tijarah

Under this product the Holding Company purchases identified goods from client at an agreed purchase price on the basis of Musawamah. the Holding Company then sells the goods in the market through an agent (Client) at a higher price to earn its desired profit.

7.5.9 Musharakah

Musharakah are different types of partnerships in business with distribution of profit in agreed ratio and distribution of loss in the ratio of capital invested.

7.5.10 Wakalah-tul-Istismar (Investment Agency Wakalah)

Wakalah-tul-Istismar means appointing another person to invest and grow one's wealth, with or without a fee. It covers contract for acquisition of services of a person or institution (Wakeel) for making investments of Wakalah Funds, and accomplishment of certain task on behalf of another person or institution (Muwakkil).

7.5.11 Running Musharakah

In Running Musharakah financing, the Holding Company enters into financing with the customer based on Shirkat-ul-Aqd (Business Partnership) in customer's operating business. Under this mechanism the customer can withdraw and return funds to the Holding Company subject to its Running Musharakah Financing limit during the Musharakah period. At the end of each quarter / 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 and unclaimed profit above ceiling (if any).

7.5.12 Ijarah

Ijarah is a contract where the owner of an asset transfers its usufruct (i.e. the usage right) to another person for an agreed period, at an agreed consideration. The rentals received / receivable on Ijarah are recorded as income / revenue. Depreciation on Ijarah assets is charged by applying the straight line method over the Ijarah period which is from the date of delivery of respective assets to Mustajir up to the date of maturity / termination of Ijarah agreement.

7.5.13 Advances

On May 07, 2015, the Holding Company acquired operation of the defunct KASB Bank Limited (the amalgamated entity) which was operating as a conventional bank in Pakistan. Subsequent to acquisition, the Holding Company converted portfolio of conventional advances into Shariah compliant financings. Advances represent unconverted portfolio, mostly consist of delinquent accounts, and are stated net of specific and general provisions.

7.6 Property, equipment and intangible assets

7.6.1 Capital work in progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction / development period are carried under this head. These are transferred to specific assets as and when assets become available for use.

7.6.2 Property and equipment

Property and equipment other than freehold land and building on leasehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and building on leasehold land are carried at revalued amount less any accumulated depreciation and subsequent impairment losses. The revaluation exercise is carried out on periodic basis.

Depreciation is computed using the straight-line method by taking into consideration the estimated useful life of the related assets at the rates specified in Property and equipment note to the consolidated financial statements. Depreciation on additions / deletions during the year is charged for the proportionate period for which the asset remained in use.

Subsequent costs are included in the assets' carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Holding Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the consolidated profit and loss account as and when incurred.

The surplus arising on revaluation is credited to other comprehensive income. However, the increase shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit and loss account. The deficit arising on a particular property as a result of a revaluation is recognised in profit and loss account as an impairment. However, the decrease to be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Depreciation on buildings which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Property and equipment Account" to unappropriated profit through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year. Gains or losses on disposal of assets are included in the profit and loss account currently, except for the related surplus on revaluation of Property and equipment (net of deferred tax) which is transferred directly to equity.

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal.

Residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Gains and losses on disposal of property and equipment, if any, are taken to the consolidated profit and loss account.

7.6.3 Ijarah (Leased) assets {where the Holding Company is Mustajir (lessee)}

The SBP, vide its BPRD Circular Letter No. 8 dated April 30, 2019 and BPRD Circular No. BPRD/RPD/2019/17 dated July 26, 2019 has directed all Islamic Banks to apply IFRS 16 - 'Leases' in all Ijarah (lease) contracts where the Islamic Banks acts in capacity of Mustajir (lessee).

Accounting policy with regards to Ijarah (leased) assets where the Holding Company is Mustajir (lessee) is as follows:

Right-of-use (RoU) assets

At the commencement date of the lease, the RoU asset is initially measured at the present value of lease liability. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any re-measurement of lease liabilities. RoU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the expected lease term.

Ijarah (lease) Liability

At the commencement date of the Ijarah (lease), the Holding Company recognizes Ijarah (lease) liability measured at the present value of the consideration (Ijarah payments) to be made over the expected Ijarah (lease) term and is adjusted for Ijarah (lease) prepayments. The lease payments are discounted using the effective rate implicit in the Ijarah (lease), unless it is not readily determinable, in which case the Mustajir (lessee) may use the incremental rate of financing. After the commencement date, the carrying amount of Ijarah (lease) liability is increased to reflect the accretion of finance cost and reduced for the Ijarah (lease) payments made.

7.6.4 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method over the estimated useful life. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date. Intangible assets having an indefinite useful life are stated at acquisition cost, less impairment losses, if any.

Amortization on additions / deletions during the year is charged for the proportionate period for which the asset remained in use.

Software and other development costs are only capitalized to the extent that future economic benefits are expected to be derived by the Holding Company.

Intangible assets, including goodwill, with indefinite useful life are not amortized but tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

7.6.5 Impairment

At each reporting date, the Holding Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the greater of net selling price and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognized as an expense immediately in the consolidated financial statements except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

Where an impairment loss reverses subsequently, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately except for impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets.

7.7 Taxation

7.7.1 Current

The provision for current taxation is based on taxable income for the year at current rates of taxation, after taking into consideration available tax credits, rebates and tax losses as allowed under the seventh schedule to the Income Tax Ordinance, 2001. The charge for current tax also includes adjustments, where considered necessary relating to prior years, which arises from assessments / developments made during the year.

7.7.2 Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Holding Company also records deferred tax asset on available tax losses. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

The Holding Company also recognizes deferred tax asset / liability on deficit / surplus on revaluation of securities and fixed assets which is adjusted against the related deficit / surplus in accordance with the requirements of the IAS 12 - Income Taxes.

7.8 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost and revalued at each year-end date of the consolidated statement of financial position. An increase in market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is initially used to reduce the surplus account, if any, or if no surplus exists, is charged to the consolidated profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the consolidated profit and loss account up to the extent of the original impairment. All direct costs of acquiring title to the asset are charged immediately to the consolidated profit and loss account.

Depreciation on non-banking assets acquired in satisfaction of claims is charged to the consolidated profit and loss account in line with depreciation charged on fixed assets.

These assets are generally intended for sale. Gains and losses realized on the sale of such assets are disclosed separately from gains and losses realized on the sale of fixed assets in the notes to the consolidated financial statements. If such asset is subsequently used by the Holding Company for its own operations, the asset, along with any related surplus, is transferred to fixed assets.

7.9 Non-current assets held for sale

The Holding Company classifies a non-current asset as held for sale if it represents a separate major line of business or a geographical area of operations or is a investment in associate which the Holding Company has decided to divest; and its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

A non-current asset held for sale is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised through the consolidated profit and loss account for any initial or subsequent write down of the non-current asset held for sale to fair value less cost to sell. Subsequent gain in fair value less cost to sell are recognised to the extent they do not exceed the cumulative impairment losses previously recorded. A non-current asset held for sale is not depreciated while classified as held for sale or while part of a disposal group classified as held for sale.

7.10 Subordinated Sukuk

Subordinated sukuk is initially recorded at the amount of proceeds received. Profit expense on subordinated sukuk is charged to consolidated profit and loss account over the period on an accrual basis and is recognised as part of other liabilities.

7.11 Acceptances

Acceptances comprise of undertakings by the Holding Company to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the consolidated statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

7.12 Staff retirement benefits

7.12.1 Defined benefit plan

The Holding Company operates an approved funded gratuity scheme for its permanent employees. The liability recognized in the consolidated statement of financial position in respect of defined benefit gratuity scheme, is the present value of the defined benefit obligation at the consolidated statement of financial position 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.

Amounts arising as a result of remeasurements, representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognized in the consolidated statement of financial position immediately, with a charge or credit to "consolidated Statement of Other Comprehensive Income" in the periods in which they occur.

7.12.2 Defined contribution plan

The Holding Company operates a recognized contributory provident fund for all the permanent employees. Equal monthly contributions are made both by the Holding Company and the employees at the rate of 6.66% of the basic salary. The Holding Company has no further payment obligations once the contributions have been paid. The contributions made by the Holding Company are recognized as employee benefit expense when they are due.

7.13 Revenue recognition

7.13.1 Profit on Murabahah and Commodity Murabahah is recognized over the financing stage of Murabahah on an accrual basis. Profit on Murabahah transactions for the period from the date of disbursement to the date of culmination of Murabahah is recognized immediately on the culmination date.

7.13.2 Profit from Istisna, Salam and Muswammah / Tijarah are recorded on an accrual basis commencing from the time of sale of goods till the realization of proceeds by the Holding Company. Profit from Diminishing Musharakah are recognized on a time proportionate basis in the form of rentals.

7.13.3 The Holding Company follows the finance method in recognizing income on Ijarah contracts written up to December 31, 2008. Under this method the unearned income i.e. excess of aggregate Ijarah rentals over the cost of the asset and documentation charges under Ijarah facility is deferred and then amortized over the term of the Ijarah, so as to produce a constant rate of return on net investment in the Ijarah. Gains / losses on termination of Ijarah contracts are recognized as income on a receipt basis. Income on Ijarah is recognized from the date of delivery of the respective assets to the Mustajir (lessee).

Rental from Ijarah contracts entered on or after January 01, 2009 is recognized in the consolidated profit and loss account over the term of the contract net of depreciation expense relating to the Ijarah assets.

7.13.4 Provisional profit of Musharakah financing is recognized on an accrual basis. Actual profit / loss on Musharakah financing is adjusted after declaration of profit by Musharakah partner or on liquidation of Musharakah.

7.13.5 Profit on Wakalah-tul-Istismar financings is booked on an accrual basis and is adjusted upon declaration of profit by the Wakeel.

7.13.6 Profit on Running Musharakah financings is booked on an accrual basis and is adjusted upon declaration of profit by Musharakah partners.

7.13.7 Profit on classified financing is recognized on a receipt basis.

7.13.8 Dividend income is recognized when the right to receive the dividend is established.

7.13.9 Gains and losses on sale of investments are recognized in the consolidated profit and loss account.

7.13.10 Fee on issuance of letter of credit and acceptance is recognized on receipt basis as generally the transactions consummate within an accounting period. Commission on guarantees, if considered material, is recognized over the period of guarantee. The Holding Company 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 Holding Company expects to be entitled in exchange for providing the services. The Holding Company recognises fees earned on transaction-based arrangements at a point in time when the Holding Company has fully provided the service to the customer. Where the contract requires services to be provided over time, the income is recognised on a systematic basis over the life of the related service.

7.13.11 Profit on Sukuks is recognized on an accrual basis. Where Sukuks (excluding held for trading securities) are purchased at a premium or discount, the premiums / discounts are amortized through the consolidated profit and loss account over the remaining life of Sukuk, using the effective yield method.

7.13.12 Income earned from revenues that are not Shariah compliant are not recognized in the consolidated profit and loss account. This income is classified as charity payable in accordance with the recommendation of the Shariah Board of the Holding Company.

7.13.13 Revenue recognition of BIPL Exchange Company (Private) Limited

Income from Sale and Revaluation of foreign currencies

Income from exchange operations includes the difference between the average cost and selling price of foreign currency, including wire transmission and the revaluation gain resulting from revaluation of foreign exchange position at day end. Income from exchange operations is recognized at the time each transfer occurs on transfer date basis and/or when revaluation of foreign exchange position takes place.

7.14 Revenue from conventional products

On May 07, 2015, the Holding Company acquired operation of the defunct KASB Bank Limited (the amalgamated entity) which had been operating as a conventional bank in Pakistan. Keeping in view Shariah compliance, under the directives of the Shariah Board of the Holding Company, any income accruing on conventional products is being credited to the Charity Payable account after deduction of any actual costs incurred on recovery, as approved by the Shariah Board.

7.15 Financial instruments

7.15.1 Financial assets and financial liabilities

Financial assets and financial liabilities are recognised at the time when the Holding Company becomes a party to the contractual provision of the instrument. Financial assets are derecognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are derecognised when obligation is discharged, cancelled or expired. Any gain or loss on derecognition of the financial asset and liability is recognised in the consolidated statement of profit and loss account of the current period.

7.15.2 Off-setting of financial instruments

Financial assets and financial liabilities are off-set and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set-off the recognized amount and the Holding Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also reported on a net basis in the consolidated financial statements, only when permitted by the accounting and reporting standards as applicable in Pakistan.

7.16 Shariah compliant derivatives (Under Wa'ad Structure)

Shariah compliant derivative financial instruments are recognized at fair value. In case of equity Shariah compliant futures, the fair value is calculated with reference to quoted market price. Derivatives with positive market values (i.e. unrealized gains) are included in other receivables and derivatives with negative market values (i.e. unrealized losses) are included in other liabilities in the consolidated statement of financial position. The resultant gains and losses are taken to the consolidated profit and loss account.

7.17 Off - balance sheet obligations

The Holding Company in the ordinary course of business, issues letters of credit, guarantees, bid bonds, performance bonds etc. The commission against such contracts is recognised in the consolidated statement of profit and loss account under "fee and commission income" over the period of contracts. The Holding Company's liability under such contracts is measured at the higher of the amount representing unearned commission income at the reporting date and the best estimate of the amount expected to settle any financial obligation arising under such contracts.

7.18 Foreign currencies

7.18.1 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Holding Company operates. The consolidated financial statements are presented in Pakistani Rupee, which is the Holding Company's functional and presentation currency.

7.18.2 Foreign currency transactions

Foreign currency transactions are translated into local currency at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the exchange rates prevailing at the consolidated statement of financial position reporting date. Forward exchange promises are revalued using forward exchange rates applicable to their respective remaining maturities.

7.18.3 Translation gains and losses

Translation gains and losses are included in the consolidated profit and loss account.

7.18.4 Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates. 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.

Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the Holding Company in the consolidated financial statements.

7.19 Deposits

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current non-remunerative accounts' and Deposits generated on Mudarabah basis are classified as 'Current remunerative accounts', 'Saving deposits' and 'Fixed deposits'. No profit or loss is passed on to current non-remunerative 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 Holding Company. While the product features of each product differ, there is usually no restriction on withdrawals or number of transactions in current and saving accounts. In case of fixed deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realized in investment pools are distributed in pre-agreed profit sharing ratio. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period.

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investments.

Asset pools are created at the Holding Company's discretion and the Holding Company can add, amend, transfer an asset to any other pool in the interests of the deposit holders.

7.20 Pool Management

The Holding Company operates general and specific pools for deposits and inter-bank funds accepted / acquired under Mudarabah, Musharakah and Wakalah modes.

Under the general deposit pools, the Holding Company accepts funds on Mudarabah basis from depositors (Rab-ul-Maal) where the Holding Company acts as Manager (Mudarib) and invests the funds in the Shariah compliant modes of financings, investments and placements. When utilizing investing funds, the Holding Company 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, high net worth customers and other banks for Islamic Export Refinance Scheme to Bank's customers and liquidity management respectively under the Musharakah / Mudarabah modes. The profit of each deposit pool is calculated on all the remunerative assets booked by utilizing the funds from the pool after deduction of expenses directly incurred in earning the income of such pool. The directly related costs comprise of depreciation on ijarah assets, takaful premium. No expense of general or administrative nature of expense is charged to the pools. No provisions 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 share) 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 share.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool. As per Bank's policy, relatively low risk / secured financing transactions and assets are allocated to general depositors' pool of PKR, USD, GBP and Euro. the Holding Company maintains General Pools, 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.

7.20.1 General Pool

Due to limited investment options in USD, GBP and Euro pool, funds from FCY pools are invested in available International Sukuk, Shariah Compliant Nostro accounts and remaining funds are converted through swaps, to be invested in PKR Sukuk, their return to be distributed among respective FCY pools.

7.20.2 Special Mudarabah Pool

Special Mudarabah Pools are created to manage returns of high net worth depositors and Government institutions. The funds received against these deposits are invested in various Shariah compliant assets.

7.20.3 Specific Musharakah Pool

7.20.3.1 Islamic Export Refinance Scheme Pool

The IERS pool assets comprise of Sovereign Guarantee Sukuks, and financings to / sukuks of blue chip companies and exporters as allowed under the applicable laws and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

7.20.3.2 Other Specific Musharakah Pool

The Other Specific Musharakah Pool assets comprise of consumer housing finance portfolio, sukuk and the related liability of the pool comprises of Musharakah Acceptance from a financial institution. This pool is created to fund the housing finance portfolio.

7.20.3.3 Financial Institution (FI) Pools

The FI pools assets generally comprise of Sovereign Guarantee Sukuks only and the related liability of the FI pools comprise of Musharakah / Mudarabah / Wakalah Acceptance from other banks and financial institutions. These pools are created to meet the liquidity requirements of the Holding Company.

7.21 Expected credit loss (ECL) and Contingent Assets and Liabilities

Credit loss is recognized when the Holding Company has a present legal or constructive obligation arising as a result of past events and 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. Credit loss is reviewed at each reporting date and are adjusted to reflect the current best estimates.

Contingent assets are not recognized, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are disclosed unless the probability of an outflow of resources embodying economic benefit is remote.

Credit loss for guarantee claims and other off-balance sheet obligations are recognized when intimated and reasonable certainty exist for the Holding Company to settle the obligation. Charge to the consolidated profit and loss account is stated net of expected recoveries.

7.22 Business Combinations

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Holding Company's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired, the difference is recognized directly in the consolidated profit and loss account as bargain purchase.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any.

Acquisition of non-controlling interests (NCI) is measured at the proportionate share of the NCI in the fair value of the net assets acquired by the Holding Company. The excess of fair value of consideration transferred over the proportionate share of the NCI in the fair value of the net assets acquired is recognized in equity.

7.23 Segment reporting

A segment is a distinguishable component of the Holding Company 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 Holding Company's primary format of reporting is based on business segments. the Holding Company has defined its segments in line with the requirements of IFRS 8 - "Operating Segments".

IFRS 8 requires the entity to define operating segments based on various factors including the basis on which operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

7.23.1 Business segments

Trading and sales

It includes equity, foreign exchanges, commodities, money market placements and Shariah compliant debt investments.

Retail banking

It includes retail Islamic financing and related assets, deposits and banking services offered to the Holding Company's retail customers.

Commercial banking

It includes investment banking business, trade business and Islamic financing and related assets relating to the Holding Company's corporate, SME and agriculture customers.

Support Centre

It includes the assets and liabilities relating to support functions at Head Office and their related income and expenses.

7.23.2 Geographical segment

The Holding Company operates only in Pakistan.

7.24 Earnings per share

The Holding Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

7.25 Dividend and reserves

Dividend declared and appropriations, except for transfer to statutory reserve, made subsequent to the date of Statement of Financial Position are considered as non-adjusting events and are recorded as a liability in the financial statements in the year in which these are approved by the directors / shareholders as appropriate. Furthermore, the surplus on revaluation of fixed assets, including non-banking assets acquired in satisfaction of claims, is not available for the distribution of dividends to the shareholders.

7.26 Statutory reserve

Every Bank incorporated in Pakistan is required to transfer 20% of its profit to a statutory reserve until the reserve equals share capital, thereafter 20% of the profit of the Holding Company is to be transferred to this reserve.

7.27 Clients' assets

The Holding Company provides services that result in the holding of assets on behalf of its clients. Such assets are not reported in the consolidated financial statements, as they are not the assets of the Holding Company.

7.28 Remuneration framework

In order to align the remuneration practices in Pakistan with the international standards and best practices, the SBP issued Guidelines on Remuneration Practices through its BPRD circular no. 02 dated March 03, 2016, which were subsequently revised through BPRD Circular No. 01 dated January 25, 2017.

In accordance with these guidelines, the Holding Company has developed a comprehensive remuneration framework. The aim of this framework is to promote an effective risk management culture, and to ensure that the remuneration practice at the Holding Company is in line with the Holding Company's objectives taking into consideration all risks that the Holding Company may face. As a result, a fair, objective, transparent and sound remuneration policy, aligned with risks and responsibilities of Financial Intermediation has been put in place. The framework has been reviewed and recommended by the Board's Remuneration Committee (BRC) and approved by the Board of Directors (BoD).

Under the policy, all employees across the Holding Company who are materially responsible for risk taking - Material Risk Takers (MRTs), or risk controlling activities - Material Risk Controllers (MRCs) are identified. The remuneration of these MRTs and MRCs is dependent upon the achievement of performance measured through risk-adjusted balance scorecards, which include financial and non-financial / qualitative performance indicators including compliance with internal policies/ procedures/ controls, customer experience, as well as certain risk-adjusting factors (negative earners) such as regulatory compliance, frauds, complaints etc. All other individuals who do not fall within the criteria of MRTs and MRCs continue to be governed through the Holding Company's existing HR policy. The features of total compensation i.e. fixed remuneration as well as variable remuneration offered through performance bonuses have been disclosed in note 42 to these consolidated financial statements.

A certain portion of the variable compensation of the MRTs and MRCs is subjected to mandatory deferrals for a defined period, thus creating alignment between the employees' and stakeholders' interests and reinforcing that compensation is appropriately linked to longer-term sustainable performance. Deferred remuneration, especially with risk adjustments, improves risk-taking incentives because the amount ultimately received by employees can be made to depend on risk outcomes, and shall vest proportionately over the deferral period following the year of variable remuneration award, subject to any malus trigger adjustments. Under the Holding Company's framework, the deferred percentage decided for distribution in the year 2025 was 20 percent (2024: 20 percent), while the deferral period is set at three years (2024: three years).

The payouts for variable compensation for the performance years 2019 and onwards, for MRTs and MRCs, is based on the revised mechanism which takes into consideration factors (such as position within the organization, roles and responsibilities, risk alignment, and performance against KPIs) for differentiating the variable pays across employees or group of employees under the framework. Furthermore, the balanced scorecards used for performance assessment also take into consideration that MRCs are remunerated independently of the functions they oversee. As approved by the Board, and as allowed under the SBP's Guidelines on Remuneration Practices, the deferral amount retained for performance years is set aside and managed by the Holding Company internally, with a team of members from amongst the internal management responsible for oversight and subsequent payouts.

8	CASH AND BALANCES WITH TREASURY BANKS	Note	2025	2024
			----- Rupees in '000 -----	
	In hand:			
	- Local currency		13,328,988	12,338,658
	- Foreign currencies		445,309	844,077
			13,774,297	13,182,735
	With the State Bank of Pakistan in:			
	- Local currency current account	8.1	52,594,906	23,590,078
	- Foreign currency deposit accounts:			
	- Cash reserve account	8.2	1,445,155	1,386,343
	- Special cash reserve account	8.2	1,739,284	1,668,793
	- US dollar clearing account		207,114	10,999
			3,391,553	3,066,135
	With National Bank of Pakistan in:			
	- Local currency current account		2,060,709	1,255,110
	Prize Bonds		-	83
	Less: Credit loss allowance held against cash and balances with treasury banks		(458)	(189)
	Cash and balances with treasury banks - net of credit loss allowance		71,821,007	41,093,952

8.1 This represents the amount held against Cash Reserve Requirement and Statutory Liquidity Requirement. Balance held under this account is non-remunerative.

8.2 As per BSD Circular No. 15 dated June 21, 2008, cash reserve of 5% and Special cash reserve of 6% are required to be maintained with the State Bank of Pakistan on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits). These accounts are non-remunerative in nature.

9	BALANCES WITH OTHER BANKS	Note	2025	2024
			----- Rupees in '000 -----	
	In Pakistan:			
	- In current accounts		9	9
	- In deposit accounts	9.1	2,371	2,366
			2,380	2,375
	Outside Pakistan:			
	- In current accounts		424,310	667,135
	- In deposit accounts	9.2	643,117	315,659
			1,067,427	982,794
	Less: Credit loss allowance held against balances with other banks		(43)	(303)
	Balances with other banks - net of credit loss allowance		1,069,764	984,866

9.1 These represent deposits with various Islamic banks under Musharakah and Mudarabah arrangements. The profit rate on these arrangements is 3.5% (2024: 10.41% to 11.13%) per annum.

9.2 These represent deposit placement outside Pakistan with an Islamic banking division of a foreign bank under Wakala arrangement. The profit rate on these arrangements is 4% (2024:3% to 3.5%) per annum.

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10 DUE FROM FINANCIAL INSTITUTIONS

Note	2025	2024
	----- Rupees in '000 -----	
	19,000,000	-
10.1	-	4,257,928
	-	14,580
	19,000,000	4,272,508
10.3	(48)	(14,580)
	18,999,952	4,257,928

Unsecured

Musharkah Placement

Bai Muajjal Receivable
- with Other Financial Institutions
Other placements

Less: Credit loss allowance held against due from financial institutions
Due from financial institutions - net of credit loss allowance

10.1 The average return on this product is 10.4% (2024: 19.6%) per annum. The balance has maturity in 20 days (2024: 24 days).

10.2 Particulars of due from financial institutions

	2025	2024
	----- Rupees in '000 -----	
In local currency	19,000,000	4,272,508
In foreign currency	-	-
	19,000,000	4,272,508

10.3 Due from financial institutions - Particulars of credit loss allowance

	2025		2024	
	Due from financial institutions	Credit loss allowance held	Due from financial institutions	Credit loss allowance held
	----- Rupees in '000 -----			
Domestic				
Performing Stage 1	19,000,000	48	4,257,928	-
Under performing Stage 2	-	-	-	-
Non-performing Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	14,580	14,580
	-	-	14,580	14,580
Total	19,000,000	48	4,272,508	14,580

10.3.1 The Holding Company does not hold overseas classified placements.

10.4 Due from financial institutions - Credit loss allowance

	2025			
	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----			
Balance at the start of the year	-	-	14,580	14,580
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	14,580	14,580
New financial assets originated or purchased	48	-	-	48
Financial assets that have been derecognised	-	-	(14,580)	(14,580)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	48	-	-	48

	2024			
	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----			
Impact of adoption of IFRS 9	20	-	-	20
Balance at the start of the year	-	-	17,820	17,820
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	20	-	17,820	17,840
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	(20)	-	(3,240)	(3,260)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	-	-	14,580	14,580

11 INVESTMENTS

	Note	2025	2024
		----- Rupees in '000 -----	
Investments - Islamic	11.1	321,687,104	345,051,553
Investments - Conventional (relating to amalgamated entity)	11.2	-	-
		<u>321,687,104</u>	<u>345,051,553</u>

11.1	Islamic Investments by type	Note	2025				2024			
			Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----										
-	Debt Instruments									
	Classified / Measured at FVOCI									
	Federal Government Shariah Compliant Securities		312,555,038	-	2,181,201	314,736,239	299,226,475	-	11,799,026	311,025,501
	Non-Government Shariah Compliant Securities		2,297,409	(35,934)	40,714	2,302,189	32,808,817	(35,883)	357,473	33,130,407
			314,852,447	(35,934)	2,221,915	317,038,428	332,035,292	(35,883)	12,156,499	344,155,908
	Classified / Measured at FVPL									
	Non-Government Shariah Compliant Securities		50,000	-	-	50,000	50,000	-	-	50,000
-	Equity instruments									
	Classified / Measured at FVPL									
	Shares - listed companies		89,824	-	24,159	113,983	70,739	-	54,344	125,083
	Mutual Funds		52,179	-	36,582	88,761	-	-	-	-
			142,003	-	60,741	202,744	70,739	-	54,344	125,083
	Classified / Measured at FVOCI (Non-Reclassifiable)									
	Shares									
	Listed companies		2,979,238	-	1,398,217	4,377,455	685,744	-	27,998	713,742
	Foreign securities	11.8.4.1	6,820	-	11,657	18,477	6,820	-	-	6,820
			2,986,058	-	1,409,874	4,395,932	692,564	-	27,998	720,562
	Associate	11.9	1,123,432	(1,123,432)	-	-	1,123,432	(1,123,432)	-	-
	Total Islamic investments		319,153,940	(1,159,366)	3,692,530	321,687,104	333,972,027	(1,159,315)	12,238,841	345,051,553
11.2	Conventional Investments by type									
-	Debt Instruments									
	Classified / Measured at FVOCI									
	Non-Government Debt Securities		74,607	(74,607)	-	-	74,607	(74,607)	-	-
-	Equity instruments									
	Classified / Measured at FVPL									
	Shares	11.2.1								
	Un-listed companies		591,680	(591,680)	-	-	591,680	(591,680)	-	-
	Foreign securities		-	-	-	-	-	-	-	-
			591,680	(591,680)	-	-	591,680	(591,680)	-	-
	Associates	11.2.2 & 11.9	432,302	(432,302)	-	-	474,169	(474,169)	-	-
	Total conventional investments		1,098,589	(1,098,589)	-	-	1,140,456	(1,140,456)	-	-

11.2.1 With the adoption of IFRS 9, fully provided equity securities related to amalgamated entity previously classified as available for sale have been designated to FVPL as of January 01, 2024. Following is the break-up of such securities:

Name of Investee Company	No. of shares held
Riverstone Consultancy (Private) Limited	3,985,000
New Horizon Exploration and Production Limited	61,600,000
Pakistan Export Finance Guarantee Agency Limited	568,044

During the year, the Holding Company has disposed off 5,400,000 unquoted foreign equity securities of Evolve Capital Limited.

11.2.2 During the year, the Holding Company has written-off its investment in KASB Capital Limited (the Company), in which the Holding Company held 21.78% equity interest. The Company was inoperative since the merger of defunct KASB bank with the Holding Company. The Company has been declared as defunct by Registrar of Companies, Mauritius.

11.3	Islamic Investments by segment	Note	2025				2024			
			Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----										
Federal Government securities:										
Federal Government Shariah										
	Compliant Securities		312,555,038	-	2,181,201	314,736,239	299,226,475	-	11,799,026	311,025,501
Shares:										
	Listed companies	11.8.2.1	3,069,062	-	1,422,376	4,491,438	756,483	-	82,342	838,825
Non Government debt securities										
	Listed		-	-	-	-	30,535,747	-	347,003	30,882,750
	Unlisted		2,347,409	(35,934)	40,714	2,352,189	2,323,070	(35,883)	10,470	2,297,657
			2,347,409	(35,934)	40,714	2,352,189	32,858,817	(35,883)	357,473	33,180,407
Mutual Funds										
	Listed companies		52,179	-	36,582	88,761	-	-	-	-
Foreign securities										
	Equity securities	11.8.4.1	6,820	-	11,657	18,477	6,820	-	-	6,820
Associate										
	Shakarganj Food Products Limited	11.9	1,123,432	(1,123,432)	-	-	1,123,432	(1,123,432)	-	-
			<u>319,153,940</u>	<u>(1,159,366)</u>	<u>3,692,530</u>	<u>321,687,104</u>	<u>333,972,027</u>	<u>(1,159,315)</u>	<u>12,238,841</u>	<u>345,051,553</u>
11.4	Conventional Investments by segment									
Shares:										
	Unlisted	11.8.2.2	591,680	(591,680)	-	-	591,680	(591,680)	-	-
Non Government debt securities										
	Unlisted		74,607	(74,607)	-	-	74,607	(74,607)	-	-
Foreign securities										
	Equity securities	11.8.4.1	-	-	-	-	-	-	-	-
Associate										
	KASB Capital Limited	11.9	-	-	-	-	41,867	(41,867)	-	-
	KASB Funds Limited	11.9	432,302	(432,302)	-	-	432,302	(432,302)	-	-
			432,302	(432,302)	-	-	474,169	(474,169)	-	-
			<u>1,098,589</u>	<u>(1,098,589)</u>	<u>-</u>	<u>-</u>	<u>1,140,456</u>	<u>(1,140,456)</u>	<u>-</u>	<u>-</u>

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11.5 Investments given as collateral

Note 2025 2024
-----Rupees in '000-----

Federal Government Securities - GOP Ijarah Sukuk 5,261,800 57,565,700

11.6 Credit loss allowance held against investments

11.6.1 Opening balance

Impact of adoption of IFRS 9 - 132

Charge / (reversal)

Charge for the year

Reversals for the year

	51	-
	-	(242,134)
34	51	(242,134)

Amounts written off

Impact of reclassification of equity securities from FVOCI to FVPL

Closing Balance

	(41,867)	-
	-	(1,155,350)
	<u>2,257,955</u>	<u>2,299,771</u>

11.7 Particulars of credit loss allowance

11.7.1 Investments - exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3

-----Rupees in '000-----

Opening balance 331,723,161 - 386,738 307,118,700 - 628,743

New investments

Investments derecognised or repaid

Transfer to stage 1

Transfer to stage 2

Transfer to stage 3

94,871,957	-	-	161,112,504	-	-
(112,054,802)	-	-	(136,508,043)	-	(242,005)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(17,182,845)</u>	-	-	<u>24,604,461</u>	-	<u>(242,005)</u>

Amounts written off / charged Off

Other changes (to be specific)

Closing balance

-	-	-	-	-	-
-	-	-	-	-	-
<u>314,540,316</u>	-	<u>386,738</u>	<u>331,723,161</u>	-	<u>386,738</u>

11.7.2 Investments - Credit loss allowance

Opening balance 3 - 110,487 - - 352,492

Impact of adoption of IFRS 9 - - - 132 - -

New investments

Investments derecognised or repaid

Transfer to stage 1

Transfer to stage 2

Transfer to stage 3

29	-	-	-	-	-
-	-	-	-	-	(242,005)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>29</u>	-	-	-	-	<u>(242,005)</u>

Amounts written off / charged off

Changes in risk parameters (PDs/LGDs/EADs)

Changes (to be specific)

Closing balance - Current year

-	-	-	-	-	-
22	-	-	(129)	-	-
-	-	-	-	-	-
<u>54</u>	-	<u>110,487</u>	<u>3</u>	-	<u>110,487</u>

11.7.3 Particulars of credit loss allowance against debt securities

11.7.3.1 Category of classification

Domestic

Performing Stage 1

Underperforming Stage 2

Non-performing Stage 3

Substandard

Doubtful

Loss

Total

2025		2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
-----Rupees in '000-----			
314,540,317	54	331,723,161	3
-	-	-	-
-	-	-	-
-	-	-	-
386,737	110,487	386,738	110,487
386,737	110,487	386,738	110,487
314,927,054	110,541	332,109,899	110,490

11.7.3.2 The Holding Company does not hold overseas classified debt securities.

11.8 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model

2025

2024

Cost

-----Rupees in '000-----

11.8.1 Federal government securities - Government guaranteed

Ijarah Sukuks

312,555,038 299,226,475

11.8.2 Shares

11.8.2.1 Listed companies

Agriculture, Forestry, Hunting and Fishing

Automobile and transportation equipment

Cement

Chemical and Pharmaceuticals

Financial

Food and Beverages

Footwear and Leather garments

Packing and Paper products

Power (electricity), Gas, Water, Sanitary

Textile

Iron & Steel

Health & Care

Others

788,376 272,070

24,804 -

337,854 46,985

185,194 19,200

849,054 203,622

5,623 1,514

103,977 46,470

124,318 45,440

542,035 120,493

111 -

40,485 -

17,704 -

49,527 689

3,069,062 756,483

11.8.2.2 Unlisted companies

Pakistan Export Finance Guarantee Agency Limited

Riverstone Consultancy (Private) Limited (Formerly KASB Invest (Private) Limited)

New Horizon Exploration and Production Limited

As at	2025		2024	
	Cost	Breakup value	Cost	Breakup value
-----Rupees in '000-----				
June 30, 2010	5,680	0.50	5,680	0.50
June 30, 2021	28,000	0.69	28,000	0.69
December 31, 2014	558,000	1.07	558,000	1.07
	591,680	2.26	591,680	2.26

11.8.3 Non government debt securities

	2025	2024
	Cost	
	-----Rupees in '000-----	
Listed		
- Unrated	-	30,535,747
Unlisted		
AAA	1,460,763	1,383,439
AA-	154,667	179,166
A+	394,848	340,000
A	25,000	-
Unrated	386,738	495,072
	2,422,016	2,397,677

11.8.4 Foreign securities

11.8.4.1 Equity securities

Unlisted

SWIFT (Society for World Wide Interbank Financial Telecommunication)	6,820	6,820
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As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
-----Rupees in '000-----							

11.9 Details of investment in associates

Unlisted

Islamic

Shakarganj Food Products Limited	September 30, 2025	36.38	Pakistan	8,983,095	5,409,771	8,482,240	(980,687)	(360,567)
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Conventional

KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)
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	Note	2025	2024
-----Rupees in '000-----			
12 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES			
Islamic financing and related assets - net	12.1	291,692,045	296,038,293
Advances (relating to amalgamated entity) - net	12.2	58,564	58,957
		291,750,609	296,097,250

12.1 ISLAMIC FINANCING AND RELATED ASSETS

Note	Performing		Non Performing		Total		
	2025	2024	2025	2024	2025	2024	
----- Rupees in '000 -----							
In Pakistan							
- Running Musharakah	12.9	75,864,281	78,360,146	1,444,955	1,444,955	77,309,236	79,805,101
- Diminishing Musharakah financing and related assets - Others	12.3	91,661,399	58,097,978	4,039,670	5,863,442	95,701,069	63,961,420
- Diminishing Musharakah - Housing		21,446,826	20,731,082	1,756,203	2,120,603	23,203,029	22,851,685
- Istisna financing and related assets	12.4 & 12.10	29,391,392	27,767,369	3,533,832	3,663,174	32,925,224	31,430,543
- Diminishing Musharakah and related assets - Auto		26,385,709	16,734,243	678,921	642,621	27,064,630	17,376,864
- Murabahah financing and related assets	12.5 & 12.11	27,888,608	85,092,279	958,175	753,869	28,846,783	85,846,148
- Musawamah financing and related assets / Tijarah	12.6	8,611,822	7,894,372	3,905,606	3,945,758	12,517,428	11,840,130
- Investment Agency Wakalah		3,233,383	4,273,450	-	-	3,233,383	4,273,450
- Murabahah against Bills		1,107,066	285,574	192,048	192,062	1,299,114	477,636
- Ijarah financing under IFAS 2 and related assets	12.7	12,145,748	590,135	43,394	53,902	12,189,142	644,037
- Financing against Bills		2,137,622	2,694,138	-	-	2,137,622	2,694,138
- Qardh-e-Hasana		49,527	27,577	124,338	123,378	173,865	150,955
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		212,146	164,607	27,128	27,128	239,274	191,735
- Net investment in Ijarah financing in Pakistan		15,040	28,055	42,425	39,969	57,465	68,024
- Housing finance portfolio - others		-	-	15,825	7,086	15,825	7,086
- Salam	12.8	70,002	177,047	-	-	70,002	177,047
Islamic financing and related assets - gross		300,220,571	302,918,052	16,922,520	19,037,947	317,143,091	321,955,999
Credit loss allowance against Islamic financing and related assets							
- Stage 1		(3,123,208)	(2,761,225)	-	-	(3,123,208)	(2,761,225)
- Stage 2		(941,448)	(468,780)	-	-	(941,448)	(468,780)
- Stage 3		-	-	(15,891,111)	(17,076,658)	(15,891,111)	(17,076,658)
		(4,064,656)	(3,230,005)	(15,891,111)	(17,076,658)	(19,955,767)	(20,306,663)
Modification loss due to IFRS 9	12.1.1	(67,991)	(94,079)	-	-	(67,991)	(94,079)
Fair value adjustment	12.1.2	(5,427,288)	(5,516,964)	-	-	(5,427,288)	(5,516,964)
Islamic financing and related assets - net of credit loss allowance and fair value adjustment		290,660,636	294,077,004	1,031,409	1,961,289	291,692,045	296,038,293

12.1.1 This represents modification loss arising from restructuring or rescheduling of financings.

12.1.2 This represents deferred fair value loss arising due to difference between the market value and the book amount of financings.

12.1.3 Islamic Financing and related assets include Rs.Rs.16,922.520 million (2024: Rs.19,037.947 million) which have been placed under non-performing / Stage 3 status as detailed below:

2025		2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

----- Rupees in '000 -----

Islamic financing and related assets - Category of classification

Domestic

Other assets especially mentioned	161,609	55,327	264,933	47,483
Substandard	434,709	198,767	1,767,062	981,368
Doubtful	800,477	470,502	911,076	474,167
Loss	15,525,725	15,166,515	16,094,876	15,573,640
	16,922,520	15,891,111	19,037,947	17,076,658

12.1.4 The Holding Company does not hold overseas Islamic financing and related assets.

Performing		Non Performing		Total	
2025	2024	2025	2024	2025	2024

----- Rupees in '000 -----

12.2 ADVANCES

- Loans, cash credits, running finances, etc. - In Pakistan	-	-	3,830,933	3,991,053	3,830,933	3,991,053
- Bills discounted and purchased (excluding treasury bills) Payable in Pakistan	-	-	681,292	684,295	681,292	684,295
- Net investment in finance lease - In Pakistan	-	-	549,859	553,463	549,859	553,463
Advances - gross	-	-	5,062,084	5,228,811	5,062,084	5,228,811

Credit loss allowance against advances

- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,003,520)	(5,169,854)	(5,003,520)	(5,169,854)
	-	-	(5,003,520)	(5,169,854)	(5,003,520)	(5,169,854)
Advances - net of credit loss allowance	-	-	58,564	58,957	58,564	58,957

12.2.1 Advances include Rs. 5,062.084 million (December 31, 2024 Rs. 5,228.811 million) which have been placed under non-performing / Stage 3 status as detailed below:

2025		2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

----- Rupees in '000 -----

Advances - Category of classification

Domestic

Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,062,084	5,003,520	5,228,811	5,169,854
	5,062,084	5,003,520	5,228,811	5,169,854

12.2.2 The Holding Company does not hold overseas advances.

Note
-----Rupees in '000-----

12.3 Diminishing Musharakah financing and related assets - Others

Diminishing Musharakah financing	91,661,793	52,413,896
Advance against Diminishing Musharakah financing	4,039,276	11,547,524
	95,701,069	63,961,420

12.4 Istisna financing and related assets

Istisna financing	7,578,333	5,810,579
Advance against Istisna financing	25,346,891	25,440,494
Istisna inventories	-	179,470
	32,925,224	31,430,543

12.5 Murabahah financing and related assets

Murabahah financing	19,681,246	79,105,798
Deferred murabahah income	5,362,855	3,434,967
Advances against Murabaha financing	1,720,783	3,242,983
Murabaha Inventories	2,081,899	62,400
	28,846,783	85,846,148

12.5.1 Murabaha receivable - gross

Less: Deferred murabaha income	12.5.2 25,044,101	82,540,765
Profit receivable	12.5.4 (5,124,348)	(770,100)
Murabaha financing	(238,507)	(2,664,867)
	19,681,246	79,105,798

12.5.2 The movement in Murabaha financing during the year is as follows:

Opening balance	82,540,765	10,608,734
Sales during the year	96,162,767	124,332,657
Received during the year	(153,659,431)	(52,400,626)
Adjusted during the year	-	-
Closing balance	25,044,101	82,540,765

12.5.3 Murabaha sale price (for transactions during the year)

Murabaha purchase price (for transactions during the year)	96,162,767	124,332,657
	(88,053,701)	(117,822,082)
	8,109,066	6,510,575

12.5.4 Deferred Murabahah income

Opening balance	770,100	489,934
Arising during the year	8,109,066	6,510,576
Recognized during the year	(3,754,818)	(6,230,410)
Closing balance	5,124,348	770,100

12.6 Musawamah financing and related assets / Tijarah

Musawamah financing	5,265,349	5,724,219
Advance against Musawamah financing	187,226	59,114
Musawamah inventories	7,064,853	6,056,797
	12,517,428	11,840,130

	2025	2024
	-----Rupees in '000-----	
12.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	12,064,758	643,717
Advance against Ijarah financing	124,384	320
	12,189,142	644,037

12.8 Salam		
Salam financing	-	153,525
Advance against Salam	70,002	23,522
	70,002	177,047

12.9 Running musharakah financing and related assets includes financing amounting to Rs. Nil (2024: Rs. 930 million) under Islamic Export Refinance Scheme.

12.10 Istisna financing and related assets includes financing amounting to Rs. Nil (2024: Rs. 37 million) and advance amounting to Rs. Nil (2024: Rs. 411 million) under Islamic Export Refinance Scheme.

12.11 Murabahah financing and related assets includes financing amounting to Rs. Nil (2024: Rs. 0.061 million) under Islamic Export Refinance Scheme.

	2025	2024
	----- Rupees in '000-----	
12.12 Break up of net investment in Ijarah financing and Finance lease		
Islamic financing and related assets	57,465	68,024
Advances	549,859	553,463
	607,324	621,487

12.12.1 Net investment in Ijarah financing in Pakistan and finance lease

	2025				2024			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	----- Rupees in '000 -----							
Ijarah rentals receivable	578,242	-	-	578,242	592,405	-	-	592,405
Residual value	73,328	-	-	73,328	73,328	-	-	73,328
Minimum Ijarah payments	651,570	-	-	651,570	665,733	-	-	665,733
Profit for future periods	(44,246)	-	-	(44,246)	(44,246)	-	-	(44,246)
Present value of minimum Ijarah payments	607,324	-	-	607,324	621,487	-	-	621,487

12.13 Ijarah Assets

	2025							
	Cost			Accumulated depreciation			Book value as at December 31, 2025	Rate of Depreciation %
	As at January 01, 2025	Addition / (deletions)	As at December 31, 2025	As at January 01, 2025	Charge / (deletions)	As at December 31, 2025		
	----- Rupees in '000 -----							
Plant and Machinery	299,200	10,962,941 (201,656)	11,060,485	260,848	108,058 (173,062)	195,844	10,864,641	20-33.33
Vehicles	1,434,818	989,947 (663,368)	1,761,397	829,453	197,543 (465,716)	561,280	1,200,117	20-33.33
	1,734,018	11,952,888 (865,024)	12,821,882	1,090,301	305,601 (638,778)	757,124	12,064,758	

2024								
Cost			Accumulated depreciation				Book value as at December 31, 2024	Rate of Depreciation %
As at January 01, 2024	Addition / (deletions)	As at December 31, 2024	As at January 01, 2024	Charge / (deletions)	As at December 31, 2024			
----- Rupees in '000 -----								
Plant and Machinery	299,200	-	299,200	247,818	13,030	260,848	38,352	20-33.33
Vehicles	1,132,172	380,920 (78,274)	1,434,818	748,272	140,069 (58,888)	829,453	605,365	20-33.33
	1,431,372	380,920 (78,274)	1,734,018	996,090	153,099 (58,888)	1,090,301	643,717	

12.13.1 Future Ijarah payments receivable

	2025				2024			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
----- Rupees in '000 -----								
Ijarah rentals receivable	1,475,131	7,646,287	-	9,121,418	282,312	183,313	-	465,626

12.14 Particulars of Islamic financing, related assets and advances - gross

In local currency	309,867,426	322,877,829
In foreign currency	12,337,749	4,306,981
	322,205,175	327,184,810

12.14.1 Financing to Women, Women-owned and Managed Enterprises

Women	3,289,126	2,842,695
Women Owned and Managed Enterprises	2,308,751	5,682,401
	5,597,877	8,525,096

12.14.2 Gross financing disbursed to Women, Women-owned and Managed Enterprises

Women	985,682	558,796
Women Owned and Managed Enterprises	3,315,745	5,281,435
	4,301,427	5,840,231

12.15 Particulars of credit loss allowance

12.15.1 Islamic financing, related assets and advances - Exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees in '000 -----					
Opening balance	293,693,573	9,224,479	24,266,758	208,066,911	23,077,362	22,890,642
New financing	145,523,930	528,693	115,295	139,297,187	3,255,728	28,484
Financing derecognised or repaid	(148,237,159)	(1,144,740)	(1,765,654)	(66,039,661)	(1,280,608)	(2,111,235)
Transfer to stage 1	7,401,228	(7,182,085)	(219,143)	15,290,890	(15,131,933)	(158,957)
Transfer to stage 2	(2,992,508)	4,367,873	(1,375,365)	(1,723,397)	2,556,297	(832,900)
Transfer to stage 3	(483,585)	(479,128)	962,713	(1,198,357)	(3,252,367)	4,450,724
	1,211,906	(3,909,387)	(2,282,154)	85,626,662	(13,852,883)	1,376,116
Closing balance	294,905,479	5,315,092	21,984,604	293,693,573	9,224,479	24,266,758

12.15.2 Islamic financing, related assets and advances - Credit loss allowance

Opening balance	2,761,225	468,780	22,246,512	-	-	-
Impact of adoption of IFRS 9	-	-	-	1,477,937	1,439,302	21,459,788
New financing	1,292,693	23,349	9,710	1,042,546	34,544	19,994
Financing derecognised or repaid	(207,216)	(36,750)	(743,877)	(540,797)	(810,332)	(4,363,215)
Transfer to stage 1	295,043	(105,239)	(189,804)	476,088	(468,434)	(7,654)
Transfer to stage 2	(26,412)	781,462	(755,050)	(260,243)	270,625	(10,382)
Transfer to stage 3	(21,481)	(30,428)	51,909	(933,971)	(2,080,271)	3,014,242
	1,332,627	632,394	(1,627,112)	(216,377)	(3,053,868)	(1,347,015)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(970,644)	(159,726)	275,231	1,499,665	2,083,346	2,133,739
Closing balance	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512

12.15.3 Islamic Financing, related assets and advances - Credit loss allowance details Internal / External rating / stage classification

Outstanding gross exposure

Performing - Stage 1

Rated	256,955,716	-	-	258,216,213	-	-
Non Rated	37,949,763	-	-	35,477,360	-	-

Under Performing - Stage 2

Rated	-	4,602,548	-	-	8,025,012	-
Non Rated	-	712,544	-	-	1,199,467	-

Non-performing - Stage 3

OAEM	-	-	161,609	-	-	264,933
Substandard	-	-	434,709	-	-	1,767,062
Doubtful	-	-	800,477	-	-	911,076
Loss	-	-	20,587,809	-	-	21,323,687
	-	-	21,984,604	-	-	24,266,758
Total	294,905,479	5,315,092	21,984,604	293,693,573	9,224,479	24,266,758

Corresponding ECL

Stage 1 and stage 2	3,123,208	941,448	-	2,761,225	468,780	-
Stage 3	-	-	20,894,631	-	-	22,246,512
	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512

12.16 Particulars of credit loss allowances held against Islamic financing, related assets and advances

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	-----Rupees in '000-----							
12.16.1 Opening balance	2,761,225	468,780	22,246,512	25,476,517	-	-	-	-
Impact of adoption of IFRS 9	-	-	-	-	1,444,830	1,382,780	21,459,788	24,287,398
Charge for the year	1,937,955	781,952	996,033	3,715,940	1,605,492	41,831	1,807,156	3,454,479
Reversals for the year	(1,575,972)	(309,284)	(2,347,914)	(4,233,170)	(289,097)	(955,831)	(1,020,432)	(2,265,360)
	361,983	472,668	(1,351,881)	(517,230)	1,316,395	(914,000)	786,724	1,189,119
Amount written off	-	-	-	-	-	-	-	-
Closing balance	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
12.16.2 Islamic	3,123,208	941,448	15,891,111	19,955,767	2,761,225	468,780	17,076,658	20,306,663
Conventional	-	-	5,003,520	5,003,520	-	-	5,169,854	5,169,854
	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
12.16.3 Particulars of credit loss allowance against advances								
In local currency	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
In foreign currencies	-	-	-	-	-	-	-	-
	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517

12.16.4 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Holding Company has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at December 31, 2025 amounts to Rs. 236.2 million (December 31, 2024: Rs. 351.907 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 111 million (December 31, 2024: Rs. 161.877 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to shareholders.

	Note	2025	2024
		-----Rupees in '000-----	
12.16.5 Credit loss allowance / reversal net of fair value adjustment taken to the profit and loss account			
Gross reversals for the year		4,233,170	2,265,360
Charge for the year		(3,715,940)	(3,454,479)
		517,230	(1,189,119)
Fair value adjusted - net		-	-
Net charge taken to the profit and loss account	34	517,230	(1,189,119)

12.17 Particulars of write offs

12.17.1 Against provisions	77	-
Directly charged to the profit and loss account	76	-
	153	-
12.17.2 Write offs Rs. 500,000 and above		
- Domestic	-	-
- Overseas	-	-
Write offs below Rs. 500,000	153	-
	153	-

12.17.3 Details of Financings Write-off of Rs. 500,000 and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the Statement in respect of written-off financings or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended is given in Annexure-I.

	Note	2025	2024
		-----Rupees in '000-----	
12.18 SBP other refinance schemes			
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		6,030,892	7,272,740
Islamic Long-Term Financing Facility		1,146,590	1,356,372
Islamic refinance scheme for payment of wages and salaries		12,000	54,822
RM EFS - Rupee Based Discounting (TFA)		12,064,463	9,756,938
Islamic refinance scheme for Renewable Energy		518,024	610,996
Islamic refinance scheme for combating COVID (IRFCC)		50,000	123,754
Islamic refinance facility for Modernization of SMEs		113,591	85,341
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		137,823	204,027
Islamic Credit Guarantee Scheme For Women Entrepreneur		192,984	127,855
		<u>20,266,367</u>	<u>19,592,845</u>
13 PROPERTY AND EQUIPMENT			
Capital work-in-progress	13.1	3,785,489	1,659,567
Property and equipment	13.2	21,621,771	13,444,402
		<u>25,407,260</u>	<u>15,103,969</u>
13.1 Capital work-in-progress			
Advances to suppliers and contractors		412,012	468,844
Advance for acquiring properties and office premises		3,373,477	1,190,723
		<u>3,785,489</u>	<u>1,659,567</u>

13.2 Property and Equipment

2025						
Leasehold land	Leasehold building	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Total	
----- Rupees in '000 -----						
Cost / Revalued amount	2,873,500	4,513,597	6,601,281	7,174,763	397,125	21,560,266
Accumulated depreciation	-	(881,684)	(2,654,626)	(4,474,715)	(104,839)	(8,115,864)
Net book value	2,873,500	3,631,913	3,946,655	2,700,048	292,286	13,444,402
For the year						
Opening net book value	2,873,500	3,631,913	3,946,655	2,700,048	292,286	13,444,402
Additions	3,133,173	-	1,696,361	3,601,548	36,844	8,467,926
Movement in surplus on assets revalued during the year	1,566,091	247,597	-	-	-	1,813,688
Other adjustments / transfers	-	(435,416)	-	-	-	(435,416)
Deficit on revaluation recognized through profit and loss account - net	-	-	-	-	-	-
Disposals	(451,000)	-	(18,675)	(159,333)	(29,033)	(658,041)
Write offs	-	-	(75,596)	-	-	(75,596)
	(451,000)	-	(94,271)	(159,333)	(29,033)	(733,637)
Movement in Accumulated Depreciation						
Depreciation charge	-	(233,191)	(651,181)	(1,324,828)	(79,156)	(2,288,356)
Reversal of Depreciation on revaluation	-	679,459	-	-	-	679,459
Reversal of depreciation on disposal	-	-	13,870	155,636	29,039	198,545
Reversal of depreciation on write off	-	-	39,744	-	-	39,744
Other adjustments / transfers	-	435,416	-	-	-	435,416
	-	881,684	(597,567)	(1,169,192)	(50,117)	(935,192)
Closing net book value	7,121,764	4,325,778	4,951,178	4,973,071	249,980	21,621,771
At December 31						
Cost / Revalued amount	7,121,764	4,325,778	8,203,371	10,616,978	404,936	30,672,827
Accumulated depreciation	-	-	(3,252,193)	(5,643,907)	(154,956)	(9,051,056)
Net book value	7,121,764	4,325,778	4,951,178	4,973,071	249,980	21,621,771
Depreciation rate (%)	-	2	10-20	15-25	20	

2024						
Leasehold land	Leasehold building	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Total	
----- Rupees in '000 -----						
Cost / Revalued amount	2,873,500	4,513,597	4,658,391	5,556,497	175,148	17,777,133
Accumulated depreciation	-	(525,924)	(2,300,965)	(3,805,381)	(61,954)	(6,694,224)
Net book value	2,873,500	3,987,673	2,357,426	1,751,116	113,194	11,082,909
For the year						
Opening net book value	2,873,500	3,987,673	2,357,426	1,751,116	113,194	11,082,909
Additions	-	-	2,084,171	1,768,861	225,794	4,078,826
Disposals	-	-	(48,109)	(150,595)	(3,817)	(202,521)
Write offs	-	-	(93,172)	-	-	(93,172)
	-	-	(141,281)	(150,595)	(3,817)	(295,693)
Movement in Accumulated Depreciation						
Depreciation charge	-	(355,760)	(474,101)	(819,258)	(46,702)	(1,695,821)
Reversal of depreciation on disposal	-	-	40,600	149,924	3,817	194,341
Reversal of depreciation on write off	-	-	79,840	-	-	79,840
	-	(355,760)	(353,661)	(669,334)	(42,885)	(1,421,640)
Closing net book value	2,873,500	3,631,913	3,946,655	2,700,048	292,286	13,444,402
At December 31						
Cost / Revalued amount	2,873,500	4,513,597	6,601,281	7,174,763	397,125	21,560,266
Accumulated depreciation	-	(881,684)	(2,654,626)	(4,474,715)	(104,839)	(8,115,864)
Net book value	2,873,500	3,631,913	3,946,655	2,700,048	292,286	13,444,402
Depreciation rate (%)	-	2	10-20	15-25	20	

13.2.1 Details of property and equipment disposed-off

Details of disposal of fixed assets to the Chief Executive Officer or to a Director or to Executives, irrespective of the value, and to any other person having aggregate book value of more than Rs. 1 million and particulars of each asset, which has book value of R. 250,000 or above during the year are disclosed in 'Annexure II'.

13.3 Cost of fully depreciated properties and equipment that are still in the Holding Company's use, as at December 31, 2025, amounted to Rs. 4,928.796 million (2024: Rs. 7,529.201 million).

13.4 During the year ended December 31, 2025, the Holding Company's land and buildings on leasehold land were revalued by Pakistan Inspection Co Pvt Ltd and Sadruddin Associates (Private) Limited on the basis of their professional assessment of the present market value. As a result of revaluation the market value of land and buildings on leasehold land were determined at Rs. 11,447.540 million. The total surplus arising against revaluation of fixed assets as of December 31, 2025 amounts to Rs. 4,672.710 million.

Had there been no revaluation, the carrying amount of revalued assets at December 31, 2025 would have been as follows:

	Rupees in '000
Land	5,506,369
Building	1,268,463
	6,774,832

		2025			2024		
		Buildings	Others	Total	Buildings	Others	Total
-----Rupees in '000-----							
14	RIGHT-OF-USE ASSETS						
	At January 1,						
	Cost	9,765,458	-	9,765,458	7,693,776	-	7,693,776
	Accumulated Depreciation	(5,450,923)	-	(5,450,923)	(4,127,509)	-	(4,127,509)
	Net Carrying amount as at January 1,	4,314,535	-	4,314,535	3,566,267	-	3,566,267
	Additions during the year	2,075,475	-	2,075,475	2,336,666	-	2,336,666
	Modification Impact	1,151,946	-	1,151,946		-	
	Deletions during the year	(99,744)	-	(99,744)	(264,984)	-	(264,984)
	Depreciation charge for the year	(1,786,887)	-	(1,786,887)	(1,323,414)	-	(1,323,414)
	Net Carrying amount as at December 31,	5,655,325	-	5,655,325	4,314,535	-	4,314,535

15 INTANGIBLE ASSETS

Note

2025				
Computer software	Core deposits	Membership and Subscription	Goodwill (note 15.2)	Total

----- Rupees in '000 -----

At January 1

Cost	2,114,823	39,747	56,824	2,991,308	5,202,702
Accumulated amortization and impairment	(1,068,717)	(22,255)	(14,558)	-	(1,105,530)
Net book value	1,046,106	17,492	42,266	2,991,308	4,097,172

For the year

Opening net book value	1,046,106	17,492	42,266	2,991,308	4,097,172
Additions:					
- directly purchased	1,064,699	-	2,820	-	1,067,519
Disposals	-	-	(5,600)	-	(5,600)
Amortization charge	(403,929)	(2,245)	(11,872)	-	(418,046)
Amortization on Disposal	-	-	2,567	-	2,567
Closing net book value	1,706,876	15,247	30,181	2,991,308	4,743,612

At December 31

Cost	3,179,522	39,747	54,044	2,991,308	6,264,621
Accumulated amortization and impairment	(1,472,646)	(24,500)	(23,863)	-	(1,521,009)
Net book value	1,706,876	15,247	30,181	2,991,308	4,743,612
Rate of amortization (%)	20	6	10	-	-
Useful life (years)	5	17	10	-	-

2024				
Computer software	Core deposits	Membership and Subscription	Goodwill (Note 15.2)	Total

----- Rupees in '000 -----

At January 1

Cost	1,425,146	39,747	46,024	2,991,308	4,502,225
Accumulated amortization and impairment	(808,092)	(20,010)	(7,627)	-	(835,729)
Net book value	617,054	19,737	38,397	2,991,308	3,666,496

For the year

Opening net book value	616,201	20,590	38,397	2,944,297	3,619,485
Additions:					
- directly purchased	689,677	-	33,600	-	723,277
Impairment loss recognized in the profit and loss account - net	-	-	-	-	-
Disposals	-	-	(22,800)	-	(22,800)
Amortization charge	(260,625)	(2,245)	(12,157)	-	(275,027)
Amortization on disposal	-	-	5,226	-	5,226
Closing net book value	1,045,253	18,345	42,266	2,944,297	4,050,161

At December 31

Cost	2,114,823	39,747	56,824	2,991,308	5,202,702
Accumulated amortization and impairment	(1,068,717)	(22,255)	(14,558)	-	(1,105,530)
Net book value	1,046,106	17,492	42,266	2,991,308	4,097,172
Rate of amortization (%)	20	6	10	-	-
Useful life (years)	5	17	10	-	-

15.1 The cost of fully amortized intangible assets that are still in the Holding Company's use, as at December 31, 2025 amounted to Rs. 658.071 million (2024: Rs. 595.519 million).

15.2 This represents goodwill recognized upon acquisition of defunct KASB Bank Limited Undertakings based on fair values of assets and liabilities. the Holding Company carried out Goodwill impairment testing as at December 31, 2025.

Key assumptions used in value in use calculation

The recoverable amount of Goodwill has been determined based on value in use calculation, using cash flow projections based on financial projections approved by the management of the Holding Company covering a five year period. The discount rates applied to cash flows beyond five years are extrapolated using a terminal growth rate. The following rates are used by the Holding Company.

Discount rate	%
Terminal growth rate	16.69
	5.00

The calculation of value in use is most sensitive to following assumptions:

a) Profit margins

Profit margins are based on prevailing industry trends and anticipated market conditions.

b) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using cost of equity of the Holding Company.

c) Key business assumptions

The assumptions are important as they represent management assessment of how the Holding Company's financial position might change over the projected period. Based on the expansion plans, management expects aggressive growth in financing, investments and deposits during the projected periods and thereafter stabilization in line with industry trends.

Management believes that any significant change in key assumptions, on which Goodwill's recoverable amount is based, may impact the carrying amount to further exceed its recoverable amount. Value in use calculation of Goodwill are sensitive to changes in assumptions for profit rate spreads, Non-Funded Income (NFI), long term growth rates and discount rates.

d) Sensitivity to changes in assumption

The estimated recoverable amount of Goodwill exceeds its carrying amount by approximately Rs. 12,718.114 million. Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

Changes required individually for the carrying amount to equal recoverable amount.

Discount rate	%
Terminal growth rate	(16.49)
	(5.00)

15.3 The amount of goodwill that will be deductible for taxable purposes is Rs. 5,896.831 million. The difference represents the fair value benefit of the financial assistance granted by the State Bank of Pakistan.

16 DEFERRED TAX ASSETS / (LIABILITIES)

Deductible Temporary Differences on:

Credit loss allowance against investments
Credit loss allowance against non-performing
Islamic financing, related assets and advances
Modification and Fair value adjustments
Other credit loss allowance
Ijarrah financing and related assets
Right of Use Assets
Others

Taxable Temporary Differences on:

Fair value adjustments relating to net assets acquired upon amalgamation
Surplus on revaluation of FVOCI Investment
Surplus on revaluation of FVTPL Investment
Surplus on revaluation of property and equipment
Surplus on revaluation of non-banking assets
Accelerated tax depreciation

		2025			
Note		At January 01, 2025	Recognized in P&L	Recognized in OCI	At December 31, 2025
----- Rupees in '000 -----					
		46,573	425,532	-	472,105
		5,306,162	1,082,146	-	6,388,308
		17,688	17,667	-	35,355
		794,103	(658,700)	-	135,403
		43,798	(170,912)	-	(127,114)
		-	653,749	-	653,749
		490,823	957,505	(82,874)	1,365,454
		6,699,147	2,306,987	(82,874)	8,923,260
		(230,539)	(95,517)	-	(326,056)
25		(6,335,938)	-	4,447,407	(1,888,531)
		(28,259)	(3,326)	-	(31,585)
25		(1,042,621)	-	(1,080,865)	(2,123,486)
25		(17,852)	-	8	(17,844)
		(553,938)	304,945	-	(248,993)
		(8,209,147)	206,102	3,366,550	(4,636,495)
		(1,510,000)	2,513,089	3,283,676	4,286,765

		2024					
Note		At January 01, 2024	Impact of adoption of IFRS 9	At January 01, 2024 (Revised)	Recognized in P&L	Recognized in OCI	At December 31, 2024
----- Rupees in 000 -----							
		36,668	69	36,737	9,836	-	46,573
		5,516,884	348,197	5,865,081	(558,919)	-	5,306,162
		-	(50,633)	(50,633)	68,321	-	17,688
		-	6,109	6,109	787,994	-	794,103
		18,802	-	18,802	24,996	-	43,798
		-	-	-	493,872	(3,049)	490,823
		5,572,354	303,742	5,876,096	826,100	(3,049)	6,699,147
		(337,060)	-	(337,060)	106,521	-	(230,539)
25		(3,080,546)	180,600	(2,899,946)	-	(3,435,992)	(6,335,938)
		-	(180,600)	(180,600)	152,341	-	(28,259)
25		(1,365,244)	-	(1,365,244)	134,021	188,602	(1,042,621)
25		(33,473)	-	(33,473)	143	15,478	(17,852)
		(553,466)	-	(553,466)	(472)	-	(553,938)
		(92,117)	-	(92,117)	92,117	-	-
		(5,461,906)	-	(5,461,906)	484,671	(3,231,912)	(8,209,147)
		110,448	303,742	414,190	1,310,771	(3,234,961)	(1,510,000)

17 OTHER ASSETS	Note	2025	2024
		----- Rupees in '000 -----	
Profit / return accrued in local currency		12,175,135	17,627,108
Profit / return accrued in foreign currency		105,953	31,482
Advances, deposits, advance rent and other prepayments		2,171,877	1,349,977
Advance taxation		1,293,878	-
Prepaid staff cost		3,291,509	3,045,731
Non-banking assets acquired in satisfaction of claims	17.1	1,348,473	1,450,462
Takaful claim receivable		53,951	35,305
Receivable against takaful and registration charges		729,955	251,519
Receivable against First WAPDA Sukuk	17.2	50,000	50,000
Trade debts		532	532
Acceptances		3,411,859	1,648,773
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		-	43,305
Clearing and settlement accounts		-	1,189,680
Others		1,083,398	1,206,370
		25,716,520	27,930,244
Less: Credit loss allowance held against other assets	17.3	(1,092,865)	(1,116,865)
Other Assets - net of credit loss allowance		24,623,655	26,813,379
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	25	40,922	69,958
Other assets - total		24,664,577	26,883,337
17.1 Market Value of non-banking assets acquired in satisfaction of claims		1,085,484	1,214,658

The properties of the Holding Company have been revalued by independent professional values as at December 31, 2025. The revaluation was carried out by Pakistan Inspection Co.(Private) Limited on the basis of professional assessment of present market values which did not result in an increase in surplus.

Impairment against non-banking assets acquired in satisfaction of claims amounting to Rs. 303.912 million (2024: Rs. 305.762 million) is included in provision held against other assets.

17.1.1 Non-banking assets acquired in satisfaction of claims	Note	2025	2024
		-----Rupees in '000-----	
Opening Balance		1,214,658	1,215,340
Revaluation	25.2	(1,307)	1,910
Disposals		(129,932)	-
Depreciation	32	(1,280)	(2,327)
Reversal of impairment		1,849	-
Other Adjustments		1,512	-
Incremental Depreciation	25.2	(16)	(265)
Closing Balance		1,085,484	1,214,658

17.1.2 Gain on disposal of non-banking assets acquired in satisfaction of claims

	2025	2024
	-----Rupees in '000-----	
Disposal proceeds	143,750	-
Less:		
- Cost	112,750	-
- Revaluation surplus	27,713	-
- Impairment/Depreciation	(10,531)	-
	129,932	-
Gain	<u>13,818</u>	<u>-</u>

17.2 The Holding Company had purchased 10,000 certificates on June 25, 2009 of first WAPDA Sukuk through a negotiated transaction for a cash consideration of Rs. 50.228 million having face value of Rs. 50 million. These certificates were available in the seller's Central Depository Company (CDC) account and on completion of the transaction were transferred to the Holding Company's CDC account. However, the periodic Ijarah Rental dues were not paid to the Holding Company on the plea that there exists certain discrepancy with respect to ownership of the asset. The amount has been shown under "other assets" as the certificates were matured in 2012 as per the terms of the Sukuk issue. the Holding Company has not recognized any provision in respect of the above amount as it is fully secured through a lien over a deposit account.

	Note	2025	2024
		-----Rupees in '000-----	
17.3 Credit loss allowance held against other assets			
Advances, deposits, advance rent & other prepayments		50,842	50,842
Non banking assets acquired in satisfaction of claims		303,911	305,762
Profit / return accrued		78,158	78,887
Others		659,954	681,374
	17.3.1	<u>1,092,865</u>	<u>1,116,865</u>

17.3.1 Movement in Credit loss allowance held against other assets

Opening balance	1,116,865	921,326
Impact of adoption of IFRS 9	-	99,693
	-	
Charge for the year	12,851	174,755
Reversals during the year	(36,851)	(78,409)
	(24,000)	96,346
Amount written off	-	(500)
Closing balance	<u>1,092,865</u>	<u>1,116,865</u>

18 BILLS PAYABLE

In Pakistan	9,895,158	13,773,529
Outside Pakistan	-	-
	<u>9,895,158</u>	<u>13,773,529</u>

19	DUE TO FINANCIAL INSTITUTIONS	Note	2025	2024
			-----Rupees in '000-----	
	Secured			
	Due to State Bank of Pakistan			
	Acceptances from SBP under Mudaraba		-	21,096,917
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	19.1	5,713,381	6,914,923
	Islamic Export Finance Scheme - Rupee based discounting	19.2	3,776,796	5,210,889
	Acceptances for financial assistance		-	4,827,290
	Acceptances under Islamic Export Refinance Scheme		-	1,053,000
	Islamic Long-Term Financing Facility	19.1	772,102	902,471
	Islamic refinance scheme for Renewable Energy	19.1	467,017	555,900
	Islamic refinance scheme for combating COVID (IRFCC)	19.1	50,000	116,667
	Islamic Refinance Scheme for Working Capital Financing	19.1	50,000	-
	Islamic Refinance Scheme for Modernization of SMEs	19.1	75,158	63,186
	Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	19.1	137,907	76,784
	Islamic Credit Guarantee Scheme for Women Entrepreneur	19.1	181,658	111,757
			11,224,019	40,929,784
	Musharakah Acceptance		-	33,085,000
	Refinance facility for Islamic Mortgage	19.3	4,241,983	3,340,466
	Total secured		15,466,002	77,355,250
	Unsecured			
	Musharakah Acceptance		-	11,350,000
	Overdrawn nostro accounts		499,301	584,854
	Others		-	16,000
	Total unsecured		499,301	11,950,854
	Fair value adjustment		(1,352,195)	(1,643,943)
			14,613,108	87,662,161
19.1	These acceptances are on profit and loss sharing basis which have been invested in general pool of the Holding Company and are secured against demand promissory notes executed in favor of State Bank of Pakistan (SBP).			
19.2	These acceptances are on a profit and loss sharing basis and are secured against demand promissory notes executed in favor of SBP. A limit of Rs. 5,234 million (2024: 5,234 million) was allocated to the Holding Company by the SBP under Islamic Export Refinance Scheme - Rupee Based Discounting for the financial year ended December 31, 2025.			
19.3	The agreements are on a profit and loss sharing basis and are secured against housing finance portfolio. The profit rate on these agreements is ranging from 9% to 13.97% (2024: 8.5% to 13.97%) per annum.			
19.4	Particulars of due to financial institutions with respect to currencies		2025	2024
			----- Rupees in '000 -----	
	In local currency		14,113,807	87,077,307
	In foreign currencies		499,301	584,854
			14,613,108	87,662,161

20 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	266,256,209	10,825,180	277,081,389	198,501,518	8,639,600	207,141,118
Savings deposits	146,666,403	3,405,475	150,071,878	147,266,628	3,746,306	151,012,934
Term deposits	175,196,427	14,461,464	189,657,891	175,856,996	15,345,465	191,202,461
Margin deposits	9,417,771	101,507	9,519,278	5,204,744	94,990	5,299,734
	597,536,810	28,793,626	626,330,436	526,829,886	27,826,361	554,656,247
Financial Institutions						
Current deposits	1,245,558	16,985	1,262,543	410,164	13,779	423,943
Savings deposits	31,176,903	-	31,176,903	3,461,149	-	3,461,149
Term deposits	220,000	-	220,000	636,442	-	636,442
Margin deposits	146	-	146	146	-	146
	32,642,607	16,985	32,659,592	4,507,901	13,779	4,521,680
	630,179,417	28,810,611	658,990,028	531,337,787	27,840,140	559,177,927

20.1 Composition of deposits

	2025	2024
-----Rupees in '000-----		
Individuals	160,312,234	172,157,317
Government (Federal and Provincial)	19,013,856	14,540,561
Public Sector Entities	19,009,858	13,229,983
Banking Companies	339,512	4,910
Non-Banking Financial Institutions	32,320,080	4,516,770
Private Sector	427,994,488	354,728,386
	658,990,028	559,177,927

20.2 Total deposits includes eligible deposits under deposit protection mechanism amounting to Rs. 312,091.832 million (2024: Rs.232,123.358 million).

21 LEASE LIABILITIES

	Note	2025	2024
-----Rupees in '000-----			
Outstanding amount at the start of the year		4,839,747	4,252,295
Additions during the year		1,892,678	2,336,666
Modification Impact		1,485,305	-
Deletions during the year		(122,248)	-
Lease payments including profit		(2,384,077)	(2,555,969)
Finance charges on leased assets		892,690	806,755
Outstanding amount at the end of the year	21.1	6,604,095	4,839,747

21.1 Contractual maturity of lease liabilities

Not later than one year	265,443	344,239
Long-term lease liabilities		
- 1 to 5 years	6,338,652	4,495,508
- 5 to 10 years	-	-
- More than 10 years	-	-
	6,338,652	4,495,508
	6,604,095	4,839,747

22 SUBORDINATED SUKUK

Note	2025	2024
	-----Rupees in '000-----	
ADT-1 Sukuk Issue I	2,000,000	2,000,000
ADT-1 Sukuk Issue II	1,000,000	1,000,000
	<u>3,000,000</u>	<u>3,000,000</u>

22.1 The Holding Company has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

22.1.1 Salient features of the ADT-1 sukuk issue I are as follows:

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

22.1.2 Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

23 OTHER LIABILITIES

	Note	2025	2024
-----Rupees in '000-----			
Profit / return payable in local currency		5,874,191	7,269,082
Profit / return payable in foreign currencies		221,334	297,238
Accrued expenses		4,229,139	3,035,365
Deferred Murabahah Income Financing, IERS and Others		5,169,867	643,923
Payable to defined benefit plan		4,677	4,677
Payable to defined contribution plan		3,619	54,371
Defined benefit plan liabilities	40.4	487,490	525,474
Security deposits against Ijarah		421,539	462,371
Credit loss allowance against off-balance sheet obligations	23.1	260,389	378,109
Acceptances		3,411,859	1,648,773
Current taxation (provisions less payments)		-	1,501,705
Withholding taxes payable		587,605	322,562
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		46,453	-
Sundry creditors		1,179,285	903,578
Payable to brokers against purchase of shares - net		12,307	82,786
Charity payable	23.2	161,109	95,696
Retention money payable		100,581	83,990
Workers' welfare fund	23.3	1,574,870	1,289,902
Dividend Payable		50,268	33,979
Clearing and settlement accounts		3,076,931	-
Others		1,588,580	1,072,649
		28,462,093	19,706,230

23.1 Credit loss allowance against off-balance sheet obligations

Opening balance		378,109	85,975
Impact on adoption of IFRS 9		-	130,338
Charge for the year		63,198	161,796
Reversals for the year		(180,918)	-
	34	(117,720)	161,796
Amount written off		-	-
Closing balance	23.1.1	260,389	378,109

23.1.1 This includes overdue non-funded facilities that could not be transferred to funded facilities due to litigation.

23.2 Charity payable

	Note	2025	2024
-----Rupees in '000-----			
Opening balance		95,696	29,550
Additions during the year			
- Received from customers on account of delayed payment		149,523	61,262
- Shariah non-compliant income		6,145	38,258
- Dividend purification		1,878	146
- Profit on charity saving account		6,567	3,180
		164,113	102,846
Distribution of charity			
- Education		(51,510)	(14,000)
- Community development		(33,100)	(13,000)
- Health		(14,090)	(9,700)
- Islamic microfinance program		-	-
	23.2.1	(98,700)	(36,700)
Closing balance		161,109	95,696

	2025	2024
	-----Rupees in '000-----	
23.2.1 Charity was paid to the following:		
Saylani Welfare International Trust	5,000	8,000
Dawat E Islami Trust	-	7,000
IDA RIEU Welfare Association	-	5,000
Indus Hospital & Health Network	90	5,000
SHED Foundation	-	3,700
Friend Welfare Trust	-	2,000
Rashid Memorial Welfare Organisation	-	2,000
Bait us Salam Welfare Trust	1,000	1,000
Sir Syed College Of Medical Sciences Trust	-	1,000
The Path Educational Society	1,000	1,000
Saleem Memorial Trust Hospital	-	1,000
Abdul Majid Foundation	38,000	-
SHED Foundation	6,200	-
The Youth Catalyst Pakistan	5,850	-
Al Mujtaba Education Trust	5,010	-
NJV School Management Board	5,000	-
Saleem Memorial Trust Hospital	5,000	-
Thar Kunwaa Foundation	4,000	-
Al Khidmat Foundation	3,000	-
Dow University Of Health Science (DUHS)	3,000	-
Hijaz Hospital Trust	3,000	-
The Pakistan Association of the Deaf	50	-
Naimat Saleem Trust	3,000	-
The Patients Behbud Society for AKUH	3,000	-
Suraia Azeem Trust	3,000	-
Teach The World Foundation	1,500	-
Khadija Tul Kubra Welfare Trust Association	1,000	-
Lok Sahaita Trust	1,000	-
Pakistan Education Endowment Fund (PEEF)	1,000	-
	<u>98,700</u>	<u>36,700</u>

23.2.2 Charity was not paid to any staff of the Holding Company or to any individual / organization in which a director or his spouse had any interest at any time during the year.

23.3 The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by Federal Government by Finance Act, 2008 for the levy of Workers Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive until the review petition is decided. Accordingly, the Holding Company has not reversed the Workers Welfare Fund (WWF) provided in the earlier audited financial statements.

24 SHARE CAPITAL - NET

24.1 Authorized capital

2025	2024		2025	2024
----- Number of Shares -----			-----Rupees in '000-----	
<u>1,500,000,000</u>	<u>1,500,000,000</u>	Ordinary shares of Rs.10 each	<u>15,000,000</u>	<u>15,000,000</u>

24.2 Issued, subscribed and paid up capital

2025	2024		2025	2024
----- Number of Shares -----				
		Ordinary shares of Rs 10 each		
<u>1,108,703,299</u>	1,108,703,299	Fully paid in cash	<u>11,087,033</u>	11,087,033
-	-	- Issued during the year right issue	-	-
-	-	- Less: Discount on issue of shares	<u>(79,042)</u>	<u>(79,042)</u>
<u>1,108,703,299</u>	<u>1,108,703,299</u>		<u>11,007,991</u>	<u>11,007,991</u>

24.3 Reserves

Statutory Reserves	<u>8,367,355</u>	<u>7,166,799</u>
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Under section 21 of the Banking Companies Ordinance, 1962 an amount of not less than 20% of the profit is to be transferred to create a reserve fund till such time the reserve fund and the share premium account equals the amount of the paid up capital. Thereafter, an amount of not less than 10% of the profit is required to be transferred to such reserve fund.

25 SURPLUS ON REVALUATION OF ASSETS

Note 2025 2024
-----Rupees in '000-----

Surplus on revaluation of:

- Securities measured at FVOCI - Debt	11.1	<u>2,221,915</u>	12,156,499
- Securities measured at FVOCI - Equity	11.1	<u>1,409,874</u>	27,998
- Property and equipment		<u>4,663,644</u>	2,528,960
- Non-banking assets acquired in satisfaction of claims	17	<u>40,922</u>	69,958
		<u>8,336,355</u>	14,783,415

Deferred tax liability on surplus on revaluation of:

- Securities measured at FVOCI - Debt	16	<u>(1,155,396)</u>	(6,321,379)
- Securities measured at FVOCI - Equity	16	<u>(733,134)</u>	(14,559)
- Property and equipment	16	<u>(2,123,486)</u>	(1,042,621)
- Non-banking assets acquired in satisfaction of claims	16	<u>(17,844)</u>	(17,852)
		<u>(4,029,860)</u>	(7,396,411)
		<u>4,306,495</u>	7,387,004

25.1 Surplus on revaluation of property and equipment

Surplus on revaluation of property and equipment as at January 01
 Recognized during the year
 Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax
 Related deferred tax liability in respect of incremental depreciation
 Related deferred tax liability on surplus realized on disposal
 Surplus on revaluation of property and equipment as at December 31

	2025	2024
	-----Rupees in '000-----	
	2,528,960	2,777,147
	2,493,147	-
	(171,564)	(114,166)
	(2,015)	(134,021)
	(184,884)	-
	4,663,644	2,528,960
Less: related deferred tax liability on:		
- revaluation as at January 01	(1,042,621)	(1,365,244)
- revaluation recognised during the year	(1,082,880)	-
- deferred tax liability derecognized	-	277,152
- surplus realised on disposal during the year	-	-
- impact of change in tax rate	-	(88,550)
- incremental depreciation charged during the year	2,015	134,021
	(2,123,486)	(1,042,621)
	2,540,158	1,486,339

25.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Surplus on revaluation as at January 01
 Recognised during the year
 Realised on disposal during the year - net of deferred tax
 Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax
 Related deferred tax liability on incremental depreciation charged during the year
 Related deferred tax liability on surplus realised on disposal
 Surplus on revaluation as at December 31

	69,958	68,313
	(1,307)	1,910
	(27,713)	-
	(8)	(122)
	(8)	(143)
	40,922	69,958
Less: related deferred tax liability on:		
- revaluation as at January 1	(17,852)	(33,473)
- revaluation recognised during the year	-	(1,031)
- deferred tax liability derecognized	-	18,505
- impact of change in tax rate	-	(1,996)
- incremental depreciation charged during the year	8	143
	(17,844)	(17,852)
	23,078	52,106

26 CONTINGENCIES AND COMMITMENTS

- Guarantees
 - Commitments
 - Other contingent liabilities

26.1	33,305,718	16,183,014
26.2	202,855,430	479,256,656
26.3	1,805,266	720,593
	237,966,414	496,160,263

	Note	2025	2024
		-----Rupees in '000-----	
26.1 Guarantees:			
Performance guarantees		18,554,503	10,122,636
Other guarantees		14,751,215	6,060,378
		33,305,718	16,183,014
26.2 Commitments:			
Documentary credits and short-term trade-related transactions:			
- letters of credit		34,642,731	23,754,604
Commitments in respect of:			
- Shariah compliant alternative of forward foreign exchange contracts	26.2.1	85,352,408	174,461,152
Commitments for acquisition of:			
- property and equipment		132,944	708,427
- intangible assets		2,413,124	78,609
Other commitments			
- commitments in respect of financing	26.2.2	80,314,223	280,253,864
		202,855,430	479,256,656
26.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions			
Purchase		49,789,168	96,427,628
Sale		35,563,240	78,033,524
		85,352,408	174,461,152
26.2.2			
The Holding Company makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
26.3 Other contingent liabilities			
	Note	2025	2024
		-----Rupees in '000-----	
Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt	26.3.1	1,804	1,804
Tax Contingencies	26.3.2	1,803,462	718,789
		1,805,266	720,593

26.3.1 Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt.

26.3.1.1 These are court cases, which represent counter claims filed by the borrowers, for restricting the Holding Company for disposal of the financed assets, (such as mortgaged / leased / pledged assets, kept as security), as well as, the cases where the Holding Company is pleaded as proforma defendant for defending its interest.

26.3.1.2 There are two cases filed against the Holding Company by KASB Corporation Limited. One case is filed at Honorable Sindh High Court and the other is filed at Honorable Islamabad High Court. KASB Corporation Limited claims of having placed Rs. 981.410 million with Ex-KASB Bank, as Advance against Issue of Right Shares. The amount was reported by the Ex-KASB Bank as part of the shareholders equity in the consolidated financial statements with the permission of SBP. These cases are still pending adjudication. The management based on the opinion of its legal counsel is confident that the cases will be dismissed by the Honorable Courts therefore, the Holding Company has not acknowledged that as a debt.

26.3.2 Tax Contingencies

26.3.2.1 During the year 2014 (relating to defunct KASB Bank Limited), appellate order passed by the Commissioner Inland Revenue Authority (CIRA) [in respect of Income tax assessments of International Housing Finance Limited, amalgamated into the defunct KASB Bank Limited during the year ended 31 December 2007] for tax year 2005 maintained the order of the Taxation Officer to the extent of disallowances relating to income from carry over transactions and gain on sale of property having an aggregate tax impact of Rs. 12.997 million. The defunct KASB Bank Limited has preferred appeals before the Appellate Tribunal Inland Revenue (ATIR) for tax year 2005 which are pending finalization. The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters, therefore no provision has been recorded in this regard.

26.3.2.2 In respect of various tax periods for the Holding Company and the defunct KASB Bank, the Sindh Revenue Board (SRB) has issued various assessment orders raising demands of Rs.107.577 million. The demand relates to the levy of Sindh Sales Tax on certain services, along with applicable default surcharge. the Holding Company has filed appeals against these orders before the Commissioner (Appeals) – SRB, which are currently pending adjudication. Furthermore, the Holding Company is contesting the issuance of certain showcause notices issued by SRB for the period covering from January 2012 till December 2013 before the Honorable Supreme Court of Pakistan based on the ground that these notices are time barred. The subject matter is also pending adjudication.

In respect of Tax Year 2019 and 2020, the ACIR under section 122(5A) of the Income Tax Ordinance, 2001 amended the return submitted by the Holding Company by adding / disallowing certain expenses thereby creating a Tax demand of Rs 1.247 billion. the Holding Company filed appeal against the orders before Commissioner Appeal. The Commissioner Appeal while passing order for Tax Year 2019 and Tax Year 2020 has remanded back / deleted significant amount of disallowances and confirmed disallowance amounting Rs 108 million pertaining to Non Banking Assets and initial allowance on fixed assets. the Holding Company has filed appeal against the confirmed disallowances before the Appellate Tribunal (ATIR) where the matter is pending adjudication.

In respect of Tax Year 2022 the ACIR under section 122(5A) of the Income Tax Ordinance, 2001 amended the return submitted by the Holding Company by adding / disallowing certain expenses thereby creating a Tax demand of Rs 522.794 million. the Holding Company has filed appeal against the orders before Commissioner Appeal which is pending adjudication. The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters, therefore no provision has been recorded in this regard.

26.3.2.3 During the year, the Holding Company received five re-assessment orders issued under Section 122 of the Income Tax Ordinance, 2001, for Tax Years 2020 through 2024, dated December 31, 2025 creating an aggregate tax demand of Rs. 2.568 billion. The Federal Board of Revenue (FBR) has primarily challenged claims related to the defunct KASB Bank, specifically the utilization of brought forward tax depreciation and losses, amortization of goodwill, reversals of provisions against non-performing loans under Rule 1(c) of the Seventh Schedule, and provisions for diminution in the value of investments. While the Holding Company has paid a portion of the demand amounting to Rs. 1.5 billion based on a partial acceptance of the department's position, it has preferred an appeal before the Commissioner Inland Revenue (Appeals) against the remaining issues. Management, supported by the advice of tax consultants, believes that the remaining contentions are legally sustainable and that a favorable outcome is probable; therefore, no provision for the remaining amount has been recognized in these financial statements. However remaining demand of Rs. 1.068 billion has been appropriately disclosed in these Financial Statements.

In respect of Tax year 2017 and 2018, the Holding Company has been in receipt of assessment orders from AJK FBR bearing demands amounting Rs 41.966 million and Rs 50.136 million respectively. the Holding Company filed appeal before the Commissioner Appeals (CIRA) which was concluded in Bank's favour. The Department, being aggrieved, filed appeal against the Commissioner Appeals order before the Appellate Tribunal Inland Revenue (ATIR), which upheld CIRA's decision. Now the department has approached High Court AJ&K for the resolution of the matter. Based on the advise from tax consultant, no provision has been recorded. The management, based on the opinion of its tax advisor, is confident about the favorable outcome of the above matters, therefore no provision has been recorded in this regard.

26.3.2.4 Following the 18th Amendment to the Constitution of Pakistan, the Government of Sindh enacted the Sindh Workers Welfare Fund (SWWF) Act, 2014, with the Sindh Revenue Board (SRB) as the designated collection agent. Since the promulgation of the Act, the SRB issued notices to various industrial establishments, including the Holding Company, demanding a contribution of approximately Rs.132 million.

26.3.2.5 The Holding Company, along with other financial institutions, challenged the levy in the Honorable High Court of Sindh (SHC) on the grounds that banks do not fall within the definition of "Industrial Establishment" as contemplated under the SWWF Act. The SHC initially granted a stay against the recovery of the demand, subject to the submission of bank guarantees.

On January 21, 2025, the SHC concluded the proceedings in favor of the Holding Company, ruling that the authority to levy and collect Workers Welfare Fund rests with the Federation. This decision was based on the resolution passed by the Council of Common Interest (CCI) vide order no. CCI.14/1/2019 dated December 23, 2019, which addressed the conflict of jurisdiction between Federal and Provincial authorities.

The SRB has recently preferred an appeal before the Supreme Court of Pakistan (SCP) against the SHC decision. Based on the advice of the Holding Company's legal consultant and the legal merits of the case following the SHC ruling, the management is confident of a favorable outcome. However on prudence basis provision has been recognized in these financial statements.

26.4 Contingent assets

There are no contingent assets of the Holding Company as at 31 December 2025 (2024: Nil).

	2025	2024
	-----Rupees in '000-----	
27 PROFIT / RETURN EARNED		
Profit earned on:		
Financing	31,093,383	40,726,407
Investments	41,635,141	67,140,277
Placements	827,043	4,445,197
Others	679,765	488,816
	74,235,332	112,800,697
27.1 Profit income (calculated using effective profit rate method) recognised on:		
Financial assets measured at amortised cost	2,049,517	5,611,941
Financial assets measured at FVOCI	41,628,151	67,130,997
	43,677,668	72,742,938
Financial assets measured at FVPL	6,990	9,280
Financial assets measured at cost	30,550,674	40,048,479
	30,557,664	40,057,759
28 PROFIT / RETURN EXPENSED		
Deposits and other accounts	30,493,760	52,905,648
Due to financial institutions	5,990,650	10,866,353
Subordinated Sukuk	431,344	679,854
Cost of foreign currency swaps against foreign currency deposits	742,907	1,155,459
Finance charges on leased assets	892,690	806,755
	38,551,351	66,414,069
28.1 Profit expense calculated using effective profit rate method	7,314,684	12,352,962
Other financial liabilities	31,236,667	54,061,107
	38,551,351	66,414,069
29 FEE AND COMMISSION INCOME		
Card related fees	1,811,172	1,306,006
Commission on trade	612,499	447,768
Commission on arrangement with financial institutions	207,698	136,952
Investment banking fees	213,871	127,291
Commission on bancatakaful	162,300	53,157
Commission on guarantees	179,672	43,999
Consumer finance related fees	30,265	10,355
Branch banking customer fees	115,780	99,181
Commission on remittances including home remittances	37,036	51,157
Commission on cash management	31,076	27,405
Others	24,952	8,913
	3,426,321	2,312,184

	Note	2025	2024
		-----Rupees in '000-----	
30 GAIN ON SECURITIES - NET			
Realized	30.1	4,165,246	646,545
Unrealized - Measured at FVPL		6,398	54,344
		4,171,644	700,889
30.1 Realized gain / (loss) on:			
Shares		173,430	286,353
Federal Government Shariah Compliant Securities		3,618,796	342,656
Non-Government Shariah Compliant Securities		373,020	17,536
		4,165,246	646,545
30.2 Net gain on financial assets / liabilities measured at FVPL:			
Designated upon initial recognition		6,398	54,344
31 OTHER INCOME			
Recoveries against previously expensed items		30,592	17,836
Gain on sale of non-banking assets		13,818	-
Gain on termination of financing		67,155	100,897
Gain on sale of property and equipment		128,291	50,447
Rent on property		4,000	-
Gain on termination of lease		22,504	-
Gain on modification of lease		104,639	-
Others		9,844	1,668
		380,843	170,848
32 OPERATING EXPENSES			
Total compensation expense	32.1	14,631,800	9,947,120
Property expense			
Rent & taxes		33,654	37,370
Takaful cost		13,726	5,417
Utilities cost		1,314,828	1,279,425
Security (including guards)		1,242,731	970,172
Repair & maintenance (including janitorial charges)		572,042	516,911
Depreciation	13.2	709,214	701,158
Depreciation on right-of-use assets	14	1,786,887	1,323,414
Others		1,921	-
		5,675,003	4,833,867
Information technology expenses			
Software maintenance		2,334,574	777,830
Hardware maintenance		543,766	262,196
Depreciation	13.2	888,295	482,605
Amortization	15	403,929	260,625
Network charges		654,660	422,395
		4,825,224	2,205,651

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	Note	2025	2024
		-----Rupees in '000-----	
Other operating expenses			
Directors' fees and allowances		28,680	28,480
Fees and allowances to Shariah Board		37,710	33,276
Legal & professional charges		425,479	221,747
Travelling & conveyance		377,261	233,548
NIFT clearing charges		70,842	63,512
Depreciation	13.2	690,847	512,058
Depreciation on non-banking assets	17.1.1	1,280	2,327
Training & development		107,652	49,552
Postage & courier charges		126,496	81,957
Communication		473,865	371,311
Stationery & printing		547,248	433,981
Marketing, advertisement & publicity		724,576	443,908
Repairs and maintenance		415,191	305,188
Takaful / Insurance		586,330	500,802
Fee and subscription		743,922	676,460
Vehicle running and maintenance		673,764	580,845
Donations	32.2	49,198	186,469
Auditors' remuneration	32.3	37,821	34,437
Amortization	15	14,117	14,402
Others		193,075	398,174
		6,325,354	5,172,434
		31,457,381	22,159,072
32.1 Total compensation expense			
Managerial remuneration			
(i) Fixed		8,943,220	4,672,462
(ii) Variable			
- Performance awards / incentives		921,166	299,240
- Cash bonus		1,500,000	736,969
Charge for defined benefit plan	40.8.1	95,216	305,706
Contribution to defined contribution plan	41	416,816	285,907
Rent & house maintenance		-	1,443,082
Utilities		-	320,679
Medical		835,897	431,139
Car maintenance		628,653	452,317
Conveyance		13,946	20,128
Fuel allowance		71,942	101,953
Sports & welfare		28,786	18,258
Staff takaful		267,929	197,637
Phone banking allowance		12,062	9,151
Contract staff cost		545,282	409,499
Amortization of prepaid staff cost		347,604	241,454
Others		3,281	1,539
Total		14,631,800	9,947,120
32.2 Details of donations			
Amount set aside for donation		49,198	186,469
		49,198	186,469

32.2.1 Donations were not made to any donee in which Directors or their spouse had any interest.

32.2.2 This represents amount set aside as donation out of Bank's profits in accordance with the approved policies. During the year 2025, the Holding Company paid an amount of Rs. 126.44 million to Future Trust.

	Holding Company	Subsidiary Company	2025 Total	2024 Total
32.3 Auditors' remuneration	-----Rupees in '000-----			
Audit fee	12,275	1,500	13,775	11,896
Fee for the review of half yearly financial statements	3,436	-	3,436	3,324
Fee for other statutory certifications	5,392	-	5,392	3,946
Special certifications and sundry advisory services	11,916	-	11,916	12,171
Out-of-pocket expenses	3,302	-	3,302	3,100
	36,321	1,500	37,821	34,437
33 OTHER CHARGES	Note	2025	2024	
		-----Rupees in '000-----		
Penalties imposed by regulatory authorities		87,193	33,819	
Other regulatory charges		34,577	-	
		121,770	33,819	
34 CREDIT LOSS ALLOWANCE, (REVERSAL) AND WRITE OFFS - NET				
Credit loss allowance reversal against due from financial institutions		(14,532)	(3,260)	
Charge / (reversal) of credit loss allowance against investments	11.6.1	51	(242,134)	
(Reversal) / charge of credit loss allowance against Islamic financing, related assets and advances - net	12.16.5	(517,230)	1,189,119	
Fair value loss recognized		(21,505)	1,488,388	
Modification loss		26,497	34,015	
Write-off of leased hold improvements		-	13,332	
Charge / (reversal) of credit loss allowance against balance with treasury and other banks		9	(4,046)	
Credit loss allowance / (reversal) against off balance sheet items - net		(117,720)	157,252	
Other credit loss allowance / (reversal) / write offs - net		12,775	100,890	
		(631,655)	2,733,556	
35 TAXATION				
Current		5,964,593	13,670,584	
Prior years		4,510,009	1,336,347	
Deferred		(2,513,089)	(1,310,771)	
		7,961,513	13,696,160	
35.1 Relationship between tax expense and accounting profit				
Profit Before Tax		13,966,188	25,529,701	
Tax on income @ 53% / 54%		7,402,080	13,786,039	
Effect of change in Tax rate		(323,256)	(284,644)	
Effect of permanent difference		88,077	100,803	
Prior year charge		4,510,009	(1,336,347)	
Deferred tax on disallowances		-	1,412,071	
Deferred tax arising on prior year adjustments		(3,715,397)	18,238	
		559,433	(89,879)	
Tax charge for the year		7,961,513	13,696,160	

36	EARNINGS PER SHARE	Note	2025	2024
			-----Rupees in '000-----	
	Profit after taxation for the year		<u>6,004,675</u>	<u>11,833,541</u>
			----- Number of shares -----	
	Weighted average number of ordinary shares		<u>1,108,703,299</u>	<u>1,108,703,299</u>
			----- Rupees -----	
	Basic and diluted earnings per share	36.1	<u>5.42</u>	<u>10.67</u>

36.1 There were no convertible / dilutive potential ordinary shares outstanding as at December 31, 2025 and December 31, 2024, therefore diluted earning per share has not been presented separately.

37 PROFIT / (LOSS) DISTRIBUTION TO DEPOSITORS POOL

The Holding Company maintained the following pools for profit declaration and distribution during the year ended December 31, 2025:

- (i) General Deposit Mudarabah Pool (PKR, USD, EUR & GBP)
- (ii) Musharakah Pool under SBP's Islamic Export Refinance Scheme
- (iii) Special Mudarabah Deposits Pool
- (iv) Treasury Pools
- (v) Other specific musharakah pool

The deposits and funds accepted under the General Deposit Mudarabah Pool is provided to different sectors of economy mainly to 'Textile and Allied', 'Energy', 'Fertilizer', 'Trading', 'Consumer Finance' and 'GOP backed Sukuks'.

Musharakah investments from the SBP under Islamic Export Refinance Scheme (IERS) are channelled towards the export sector of the economy via different Islamic financing modes such as Murabahah, Istisna etc.

Key features and risk & reward characteristics of all pools

The 'General Deposit Mudarabah Pool' for both local and foreign currency is to cater all depositors of the Holding Company and provide profit / loss based on actual returns earned by the pool. Depositors are Rabb-ul-Maal as they are the provider of capital while the Holding Company acts as Mudarib by investing these funds in business. Since there are more than one Rabb-ul-Maal (depositor), their mutual relationship is that of Musharakah. Profit is shared among Mudarabah partners (Bank and depositors) as per pre-agreed profit sharing ratio. Whereas, profit sharing among the depositors is based on pre-assigned weightages. Loss, if any, is borne by Rabb-ul-Maal as per the principles of Mudarabah.

The 'IERS Pool' caters to the 'Islamic Export Refinance Scheme' requirements based on the guidelines issued by the SBP. In this Scheme, SBP enters into a Musharakah arrangement with the Holding Company for onward financing to exporters and other blue chip companies on the basis of Shariah compliant modes such as Murabahah, Istisna, etc. Under the scheme, SBP is required to share in profit and loss of the Holding Company's IERS Musharakah pool. IERS pool consists of blue chip companies to whom the Holding Company has provided financing facilities on Shariah compliant modes including IERS facility. Profit is shared according to an agreed weightage and loss is shared according to the investment ratio.

The 'Special Mudarabah Deposits Pools' for local currency are created to attract and retain clients expecting specific returns. The funds received against these deposits are invested in various Shariah compliant assets.

The 'Treasury Pools' are managed on the basis of Musharakah and Wakalah, wherein the Holding Company and partner (Financial Institution) share actual return earned by the pool according to pre-defined profit sharing ratio in case of Musharakah, and desired rate of return for Wakalah.

The 'other specific musharakah pool' assets comprise of consumer housing finance portfolio, sukuk and the related liability of the pool comprises of musharakah acceptance from a financial institution. This pool is created to fund the housing finance portfolio.

The risk characteristic of each pool mainly depends on the asset and liability profile of each pool. The pool is exposed to following kinds of risks:

- 1 **Asset Risk:** The pool is exposed to Asset Risk which is the risk that is associated with Islamic mode of finance(s) applied / used under the transaction structure(s). the Holding Company has prepared detailed product manuals in order to identify and properly mitigate such risk. the Holding Company also analyses transaction structure of each customer to further ensure proper safeguard of depositors' interest. The review is done by experienced team of professionals having considerable experience in the field of Islamic banking and finance. Nevertheless since Islamic banking is a nascent industry, we believe that the process of further improvement will continue as the business grows.
- 2 **Credit Risk:** Credit Risk is the risk which is associated with financing that is mitigated through safeguards through available standards within Shariah guidelines as disclosed in note 47.1 to the consolidated financial statements.

Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components:

Gross income (Revenue less cost of goods sold and after deduction of other direct expenses), generated from relevant assets is calculated at the end of the month. The income is shared between the Holding Company and the depositors as per agreed profit sharing ratio after deduction of commingled Bank's equity share on pro rata basis. The residual is shared among depositors as per agreed weightages. These weightages and profit sharing ratios are declared by the Holding Company in compliance with the requirements of the SBP and Shariah.

The allocation of income and expenses to different pools is based on pre-defined basis and accounting principles / standards. Direct expenses are charged to respective pool, while indirect expenses are borne by the Holding Company as Mudarib. The direct expenses charged to the pool are direct cost in financing / investment transactions (i.e. Murabahah, Ijarah, Diminishing Musharakah, Istisna, Tijarah Financing, Salam etc.) and depreciation of Ijarah assets. The general and specific provisions created against non-performing Islamic financing and related assets and diminution in the value of investments as under prudential regulations and other SBP directives have been borne by the Holding Company as Mudarib.

2025

General Deposit Mudarabah Pool	Profit rate and weightage announcement period	Profit rate return earned	Depositor Share %	Mudarib share %	Mudarib share	Profit rate return distributed to remunerative deposits (Savings and Term)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
					(Rupees in '000)			(Rupees in '000)
PKR Pool	Monthly	8.14%	50.00%	50.00%	4,845,831	6.33%	56.79%	2,752,055
Daily Product	Monthly	10.87%	50.00%	50.00%	42,223	7.77%	43.45%	18,344
USD Pool	Monthly	3.48%	10.00%	90.00%	100,632	0.36%	0.31%	313
GBP Pool	Monthly	4.75%	10.00%	90.00%	10,654	0.49%	0.99%	105
EURO Pool	Monthly	5.45%	10.00%	90.00%	10,375	0.52%	0.00%	-

Specific Musharakah Pool	Profit Rate and Weightages announcement Period	Profit Rate return earned	Client Share %	Bank Share %	Bank Share	Profit rate return distributed	Percentage of Hiba to Client	Amount of Hiba to Client
					(Rupees in '000)			(Rupees in '000)
Islamic Export Refinance (IERS) Pool	Monthly	8.91%	45.97%	54.03%	955,629	2.07%	5.18%	49,478
Other Specific Musharakah Pool	Monthly	12.81%	83.80%	16.20%	118,954	12.75%	0.00%	-

Specific Mudarabaha Pool	Profit Rate and Weightages announcement Period	Profit Rate return earned	Depositor Share %	Mudarib Share %	Mudarib Fee	Profit rate return distributed to remunerative special deposits	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba to special remunerative deposits
					(Rupees in '000)			(Rupees in '000)
(i) Special Pool PKR	Monthly	10.86%	75.00%	25.00%	4,096,641	9.19%	43.60%	1,786,057
(ii) 1-2-3 Years TDR	Monthly	11.26%	70.00%	30.00%	1,452,437	9.18%	38.33%	556,748
(iii) New TDR Pool	Monthly	1.83%	70.00%	30.00%	4,129	1.62%	66.92%	2,763
(iv) Special Pool USD	Monthly	7.69%	50.00%	50.00%	533,579	5.62%	49.09%	261,912
(v) Special Pool GBP	Monthly	3.49%	50.00%	50.00%	480	2.64%	31.66%	152
(vi) Special Pool Euro	Monthly	5.80%	90.00%	10.00%	1,645	5.61%	40.52%	667
(vii) Hajj Pool	Monthly	2.51%	25.00%	75.00%	12,674	1.16%	27.95%	3,542
(viii)	In addition to the above, 519 short term Treasury Pools were created to meet liquidity requirement of Treasury Department. The Pools were dissolved after maturity of respective Treasury transaction. The Pools were managed under the Shariah approved guidelines.							

	Note	2025	2024
-----Rupees in '000-----			
38 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	8	71,821,007	41,093,952
Balances with other banks	9	1,069,764	984,866
		72,890,771	42,078,818

		Number of employees	
39 STAFF STRENGTH			
Permanent		5,409	4,668
On Bank contract		1,951	1,902
Outsource		816	747
Total staff strength		8,176	7,317

40 DEFINED BENEFIT PLAN

40.1 General description

The Holding Company operates a gratuity fund for its employees (members of the fund). The fund entitles the members to lump sum payment at the time of retirement, resignation or death. Permanent staff are eligible for such benefits after three years of service.

40.2 Number of Employees under the scheme

The number of eligible employees covered under the defined scheme are 5,046 (2024: 4,668).

40.3 Principal actuarial assumptions

Projected unit credit method, using the following significant assumptions, was used for the valuation of the defined benefit plan:

	2025	2024
- Valuation Discount rate	11.00%	12.25%
- Salary Increase Rate	12.25%	13.25%
- Expected Return on Plan Assets	11.00%	12.25%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables, rated down by one year.

	2025	2024
----- Rupees in '000 -----		
40.4 Reconciliation of (receivable from) / payable to defined benefit plans		
The amount recognized in the consolidated statement of financial position (in respect of the gratuity scheme) is determined as follows:		
Present value of defined benefit obligations	1,289,509	1,227,058
Fair value of plan assets	(802,019)	(701,584)
	487,490	525,474

	Note	2025	2024
		----- Rupees in '000 -----	
40.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		1,227,058	891,124
Current service cost		325,283	262,336
Past service cost		(274,130)	4,029
Return expense		134,619	121,138
Benefits paid by the Holding Company		(124,702)	(168,922)
Re-measurement loss / (gain)	40.8.2	1,381	117,353
Obligations at the end of the year		1,289,509	1,227,058
40.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		701,584	462,183
Return earned on plan assets		90,556	81,797
Contribution by the Holding Company		200,000	300,000
Benefits paid by the Holding Company		(124,702)	(168,922)
Re-measurement gain	40.8.2	(65,419)	26,526
Fair value at the end of the year		802,019	701,584
40.7 Movement in payable under defined benefit schemes			
Opening balance		525,474	428,941
Charge for the year		95,216	305,706
Contribution by the Holding Company		(200,000)	(300,000)
Re-measurement loss / (gain) recognized in OCI during the year	40.8.2	66,800	90,827
Closing balance		487,490	525,474
40.8 Charge for defined benefit plans			
40.8.1 Cost recognized in profit and loss			
Current service cost		325,283	262,336
Net return charges		44,063	39,341
Past service cost - due to change in salary structure		-	403,549
Past service cost - due to change in scheme benefit rule		(274,130)	(399,520)
		95,216	305,706
40.8.2 Re-measurements recognized in OCI during the year			
Loss / (Gain) on obligation			
- Demographic assumptions		11,343	(54,606)
- Financial assumptions		(24,990)	108,256
- Experience adjustment		15,028	63,703
Total remeasurement on obligation		1,381	117,353
Remeasurement on plan assets		65,419	(26,526)
Return on plan assets		-	-
Total re-measurements		66,800	90,827
Deferred tax impact		(34,736)	(48,138)
Total re-measurements recognized in OCI		32,064	42,689

	2025	2024
	----- Rupees in '000 -----	
40.9 Components of plan assets		
Mutual Funds	-	50,005
Federal Government Shariah Compliant Securities	743,680	444,896
Bank Balance	42,723	206,683
Term Deposit Receipt	-	-
	786,403	701,584

40.9.1 The plan assets and defined benefit obligations are based in Pakistan.

40.10 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2025	2024
	----- Rupees in '000 -----	
1% increase in discount rate	1,237,890	1,182,747
1% decrease in discount rate	1,346,017	1,275,120
1 Year increase in Life expectancy / Withdrawal rate	1,289,421	1,228,150
1 Year decrease in Life expectancy / Withdrawal rate	1,289,421	1,225,961

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 recognized within the consolidated Statement of Financial Position.

	Rupees in '000
40.11 Expected contributions to be paid to the funds in the next financial year	194,549
40.12 Expected charge for the next financial year	194,549

40.13 Maturity profile

The weighted average duration of the defined benefit obligation is 4.51 years (2024: 3.89 years).

Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At December 31, 2025	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	----- Rupees in '000 -----				
Gratuity	219,865	121,173	400,006	1,455,124	2,196,168

40.14 Funding Policy

Funding levels are monitored on an annual basis and are based on actuarial recommendations. Expected Gratuity Expense for the next year works out to Rs. 194.549 million as per the actuarial valuation report of the Holding Company as of December 31, 2025.

40.15 Though its defined benefit gratuity plan, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Investment Risks	The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.
Longevity Risks	The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.
Salary Increase Risk	The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
Withdrawal Risk	The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

41 DEFINED CONTRIBUTION PLAN

The Holding Company operates a contributory provident fund for all permanent employees. The employer and employee both contribute 6.67% of basic salary to the fund every month. Equal monthly contributions made by employer and employees during the year amounted to Rs. 416.442 million (2024: Rs. 285.907 million) each.

42 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

42.1 Total Compensation

Items	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 etc.	4,680	-	24,000	4,380	-	-	-
Managerial Remuneration							
Fixed	-	1,355	-	24,739	47,273	352,018	216,331
Cash Bonus / Awards	-	-	-	4,400	9,955	96,303	30,998
Rent & house maintenance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Medical	-	-	-	-	4,727	35,202	22,494
Conveyance	-	245	-	4,026	-	42,991	37,432
Shariah Board allowance	-	-	-	3,871	-	-	-
Others	-	-	-	-	-	6,196	15,773
Total	4,680	1,600	24,000	41,416	61,955	532,710	323,028
Number of Persons	1	1	8	4	1	28	23

Items	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 etc.	4,280	-	24,200	4,380	-	-	-
Managerial Remuneration							
Fixed	-	-	-	15,236	31,515	187,540	137,371
Cash Bonus / Awards	-	-	-	4,400	9,887	43,814	38,879
Rent & house maintenance	-	-	-	-	-	65,640	53,691
Utilities	-	-	-	-	-	14,587	11,931
Medical	-	-	-	-	4,097	18,754	13,737
Conveyance	-	-	-	3,729	-	32,222	29,364
Shariah Board allowance	-	-	-	11,173	-	-	-
Others	-	-	-	1,769	17,358	33,958	24,004
Total	4,280	-	24,200	40,687	62,857	396,515	308,977
Number of Persons	1	-	6	4	1	21	27

42.1.1 The President / CEO has been provided with bank maintained cars.

42.1.2 The President / CEO and certain key management personnel have been provided with club memberships.

42.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	2025					Total Amount Paid
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Board Committees			Board Human Resource & Remuneration Committee	
Audit Committee	Risk Management Committee		Board IT Committee				
----- Rupees in '000 -----							
1	Mr. Suleman Lalani	2,880	-	-	1,000	800	4,680
2	Mr. Haider Ali Hilaly	2,400	1,200	-	1,000	-	4,600
3	Mr. Sulaiman Sadruddin Mehdi	2,400	1,200	800	-	400	4,800
4	Mr. Syed Ali Hasham	2,000	1,200	800	-	800	4,800
5	Mr. Akhtar Abbas	2,400	-	-	1,000	800	4,200
6	Mr. Kalim Ur Rehman	800	-	-	-	-	800
7	Dr. Shamshad Akhtar (late)	1,600	800	600	-	-	3,000
	Resigned in 2025						
8	Mr. Ali Hussain	1,200	-	-	-	-	1,200
9	Ms. Iffat Zehra Mankani	400	200	200	-	200	1,000
	Total Amount Paid	16,080	4,600	2,400	3,000	3,000	29,080

Sr. No.	Name of Director	2024					Total Amount Paid
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Board Committees			Board Human Resource & Remuneration Committee	
Audit Committee	Risk Management Committee		Board IT Committee				
----- Rupees in '000 -----							
1	Mr. Suleman Lalani	2,880	-	-	800	600	4,280
2	Mr. Ali Hussain	2,400	-	-	-	-	2,400
3	Mr. Haider Ali Hilaly	2,400	1,000	-	800	-	4,200
4	Mr. Sulaiman Sadruddin Mehdi	2,400	1,000	800	-	-	4,200
5	Mr. Syed Ali Hasham	2,400	1,000	800	-	600	4,800
6	Mr. Akhtar Abbas	2,400	-	-	800	600	3,800
7	Ms. Iffat Zehra Mankani	3,600	1,000	1,000	-	800	6,400
	Total Amount Paid	18,480	4,000	2,600	2,400	2,600	30,080

42.3 Remuneration paid to Shariah Board Members

Items	2025			2024		
	Chairman	Resident Member	Non-Resident Member	Chairman	Resident Member	Non-Resident Member
----- Rupees in '000 -----						
a. Meeting Fees and Allowances	-	-	4,380	-	-	4,380
b. Managerial remuneration & allowances	25,196	11,840	-	24,891	11,416	-
Total Amount	25,196	11,840	4,380	24,891	11,416	4,380
Total Number of Persons	1	1	2	1	1	2

43 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortized cost or investments in associates and subsidiaries, is based on quoted market price. Quoted securities classified as amortized cost are carried at cost less impairment losses.

The fair value of unquoted Shariah compliant securities, fixed term financing, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

43.1 Fair value of financial assets

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

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

2025			
Level 1	Level 2	Level 3	Total

----- Rupees in '000 -----

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Shares / Mutual funds	4,580,199	18,477	-	4,598,676
GoP Ijara Sukuk	78,801,265	235,934,974	-	314,736,239
Non-Government Shariah compliant securities	-	1,227,194	1,124,995	2,352,189

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	49,789,168	-	49,789,168
Shariah compliant alternative of forward sale of foreign exchange	-	35,563,240	-	35,563,240

On balance sheet non-financial assets

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	11,447,542	-	11,447,542
Non-banking assets acquired in satisfaction of claims	-	1,085,484	-	1,085,484

2024			
Level 1	Level 2	Level 3	Total

----- Rupees in '000 -----

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Shares / Modaraba certificates/Mutual Funds	838,825	-	6,820	845,645
GOP Ijara Sukuk	54,455,722	256,569,779	-	311,025,501
Non-Government Shariah compliant Securities	3,415,471	29,764,936	-	33,180,407

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	96,427,628	-	96,427,628
Shariah compliant alternative of forward sale of foreign exchange	-	78,033,524	-	78,033,524

On balance sheet non-financial assets

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	6,505,413	-	6,505,413
Non-banking assets acquired in satisfaction of claims	-	1,214,658	-	1,214,658

Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued 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 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - unlisted	SWIFT is valued Using the MARKET approach. Valuation is based on its latest published share price in euros, converted to PKR Using the Exchange rate prevailing on the Valuation date.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - Land and building	The valuation experts used a market based approach to arrive at the fair value of the Holding Company's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non-banking assets acquired in satisfaction of claims	

Valuation techniques used in determination of fair values within level 3

Item	Valuation approach and input used
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP), if available, in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. These cash flows are then discounted using PKRV rate, adjusted for credit spreads to reflect the risk profile of each instrument.

	2025
	(Rupees in '000)
Opening balance	1,113,000
Addition during the year	-
Remeasurement recognised in OCI	11,995
Closing balance	1,124,995

43.2 The Holding Company's policy is to recognize 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.

44 SEGMENT INFORMATION

Segment Details with respect to Business Activities

2025				
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total

----- Rupees in '000 -----

Profit & Loss

Net profit / return	37,085,023	(25,356,323)	24,577,484	(622,203)	35,683,981
Inter segment revenue - net	(39,362,786)	59,366,361	(24,433,605)	4,430,030	-
Total other income	5,931,362	2,229,332	1,040,359	313,619	9,514,672
Total income	3,653,599	36,239,370	1,184,238	4,121,446	45,198,653

Segment direct expenses	292,680	17,376,268	983,513	13,211,659	31,864,120
Inter segment expense allocation	99,962	10,979,045	1,695,761	(12,774,768)	-
Total expenses	392,642	28,355,313	2,679,274	436,891	31,864,120
Credit loss allowance	(14,472)	115,593	(606,855)	(125,921)	(631,655)
Profit / (loss) before tax	3,275,429	7,768,464	(888,181)	3,810,476	13,966,188

Balance Sheet

Cash & Bank balances	1,069,764	71,821,007	-	-	72,890,771
Investments	320,112,422	-	1,574,682	-	321,687,104
Net inter segment placements	-	544,264,990	-	22,208,659	566,473,649
Due from financial institutions	18,999,952	-	-	-	18,999,952
Islamic financing and related assets - performing	-	38,424,537	242,822,486	9,358,286	290,605,309
- non-performing - net	-	594,924	392,021	158,355	1,145,300
Others	-	-	-	64,757,539	64,757,539
Total Assets	340,182,138	655,105,458	244,789,189	96,482,839	1,336,559,624

	2025				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Due to financial institutions	499,301	4,241,983	9,871,824	-	14,613,108
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	8,126,553	650,863,475	-	-	658,990,028
Net inter segment acceptances	331,556,284	-	234,917,365	-	566,473,649
Others	-	-	-	44,961,346	44,961,346
Total liabilities	340,182,138	655,105,458	244,789,189	47,961,346	1,288,038,131
Equity	-	-	-	48,521,493	48,521,493
Total Equity & liabilities	340,182,138	655,105,458	244,789,189	96,482,839	1,336,559,624
Contingencies & Commitments	85,352,408	-	67,948,449	84,665,557	237,966,414

	2024				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Net profit / return	60,688,427	(45,100,090)	31,865,533	(1,067,242)	46,386,628
Inter segment revenue - net	(61,061,353)	88,553,885	(30,872,372)	3,379,840	-
Total other income	2,244,454	1,625,361	644,417	76,302	4,590,534
Total Income	1,871,528	45,079,156	1,637,578	2,388,900	50,977,162
Segment direct expenses	175,342	13,230,864	1,074,121	8,233,578	22,713,905
Inter segment expense allocation	130,814	6,091,004	1,456,927	(7,678,745)	-
Total expenses	306,156	19,321,868	2,531,048	554,833	22,713,905
Credit loss allowance	(249,440)	6,089	1,873,742	1,103,165	2,733,556
Profit / (loss) before tax	1,814,812	25,751,199	(2,767,212)	730,902	25,529,701

Balance Sheet					
Assets					
Cash & Bank balances	984,866	41,093,952	-	-	42,078,818
Investments	344,424,053	-	627,500	-	345,051,553
Net inter segment placements	-	487,602,377	-	34,433,346	522,035,723
Due from financial institutions	4,257,928	-	-	-	4,257,928
Islamic financing and related assets - performing	-	30,571,110	257,575,697	-	288,146,807
- non-performing - net	-	1,089,318	649,010	6,212,115	7,950,443
Others	-	-	-	50,399,013	50,399,013
Total Assets	349,666,847	560,356,757	258,852,207	91,044,474	1,259,920,285
Liabilities					
Due to financial institutions	70,960,060	3,340,467	13,361,634	-	87,662,161
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,161,637	557,016,290	-	-	559,177,927
Net inter segment acceptances	276,545,150	-	245,490,573	-	522,035,723
Others	-	-	-	39,829,506	39,829,506
Total liabilities	349,666,847	560,356,757	258,852,207	42,829,506	1,211,705,317
Equity	-	-	-	48,214,968	48,214,968
Total Equity & liabilities	349,666,847	560,356,757	258,852,207	91,044,474	1,259,920,285
Contingencies & Commitments	174,461,152	-	39,937,618	281,761,493	496,160,263

45 TRUST ACTIVITIES

Banks commonly act 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 assets are not assets of the Holding Company and, therefore, are not included in its balance sheet. Following is the list of assets held under trust:

Category	Type	No. of IPS account		Face Value	
		2025	2024	2025	2024
-----Rupees in '000-----					
Insurance Companies	Sukuks	4	4	145,000	145,000
Asset Management Companies	Sukuks	30	30	1,954,630	1,954,630
Employee Funds / NGO's	Sukuks	2	2	3,000	3,000
Individuals	Sukuks	1	1	67,370	67,370
Others	Sukuks	15	15	1,315,000	1,315,000
		52	52	3,485,000	3,485,000

46 RELATED PARTY TRANSACTIONS

The Holding Company has related party transactions with its parent, associates, employee benefit plans, its directors and key management personnel.

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 to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these consolidated financial statements are as follows:

	2025					2024				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
----- (Rupees in '000) -----										
Investments										
Opening balance	-	-	-	1,597,601	-	-	-	-	1,597,601	-
Investment made during the year	-	-	-	-	-	-	-	-	-	-
Investment written-off during the year	-	-	-	(41,867)	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,555,734	-	-	-	-	1,597,601	-
Credit loss allowance held against investments	-	-	-	(1,555,734)	-	-	-	-	(1,597,601)	-
Islamic financing and related assets										
Opening balance	-	-	467,815	480,187	1,608,466	-	-	422,999	480,187	248,878
Addition during the year	-	-	317,706	-	1,186,187	-	-	198,713	618,721	1,880,987
Repaid during the year	-	-	(246,291)	(187)	(2,338,596)	-	-	(109,859)	(618,721)	(521,399)
Transfer in / (out) - net	-	-	40,340	-	287,660	-	-	(44,038)	-	-
Closing balance	-	-	579,570	480,000	743,717	-	-	467,815	480,187	1,608,466
Credit loss allowance held against Islamic financing and related assets	-	-	-	(480,000)	-	-	-	-	(480,187)	-
Other assets										
Profit receivable on financings	-	-	483	-	37,625	-	-	425	-	17,902
Others	-	-	-	-	12,564	-	-	-	-	-
Due to financial institutions - net										
Opening balance	2,000,000	-	-	-	-	-	-	-	-	-
Additions during the year	50,000,000	-	-	-	500,000	141,000,000	-	-	-	-
Settled during the year	(62,000,000)	-	-	-	(500,000)	(139,000,000)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	2,000,000	-	-	-	-
Subordinated sukuk										
Opening balance	-	-	485	-	143,465	-	-	485	-	1,120
Issued / purchased during the year	-	-	-	-	3,565	-	-	-	-	143,585
Redemption / sold during the year	-	-	-	-	(3,705)	-	-	-	-	(1,240)
Transfer in / (out)	-	-	(450)	-	-	-	-	-	-	-
Closing balance	-	-	35	-	143,325	-	-	485	-	143,465
Deposits and other accounts										
Opening balance	-	9,305	126,828	1,083	1,461,374	-	5,741	72,646	29,503	6,162,706
Received during the year	-	511,609	1,429,392	805,834	125,111,029	-	1,067,531	1,259,126	2,120,383	55,109,096
Withdrawn during the year	-	(515,634)	(1,400,579)	(804,807)	(123,955,360)	-	(1,063,967)	(1,148,229)	(2,148,803)	(59,821,044)
Transfer in / (out) - net	-	(3,206)	(98,709)	-	139,678	-	-	(56,715)	-	10,616
Closing balance	-	2,074	56,932	2,110	2,756,721	-	9,305	126,828	1,083	1,461,374
Other Liabilities										
Profit / return payable	-	2	2,512	2	15,598	726	8	688	2	13,085
Other liabilities	459,000	-	-	-	9,626	-	-	-	-	29,610
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	-	-	-	-	-	3,422	-	-	-	-
Meeting fee / remuneration payable	-	-	-	-	-	-	400	-	-	-
Contingencies and Commitments										
Other contingencies	-	-	-	-	900,000	3,220,639	-	-	-	-

	2025					2024				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	----- (Rupees in '000) -----									
Income										
Profit / return earned	-	-	29,035	-	263,491	-	-	23,522	-	120,920
Other income	2,290	-	-	14	40,077	-	-	16	22	573
Foreign exchange income	1,041	-	-	-	-	67,886	-	-	-	-
Expense										
Profit / return expensed	23,634	201	4,896	124	222,338	81,888	2,463	12,683	87	528,227
Other administrative expenses	459,118	1,529	74,971	-	295,730	-	3,627	35,741	-	313,291
Meeting fee / remuneration	-	28,680	628,995	-	-	-	28,480	454,570	-	-
Contribution to employees provident fund	-	-	-	-	416,442	-	-	-	-	285,907
Charge for employees gratuity fund	-	-	-	-	95,216	-	-	-	-	305,706
Donation paid	-	-	-	-	126,440	-	-	-	-	60,000
Dividend paid	2,290,233	146,897	1	-	217,434	2,082,030	462,750	99	-	65,287
Others	-	-	-	-	13,600	38,596	-	-	-	-

47 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2025	2024
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	41,072,196	38,792,658
Eligible Additional Tier 1 (ADT 1) Capital	3,000,000	3,000,000
Total Eligible Tier 1 Capital	44,072,196	41,792,658
Eligible Tier 2 Capital	4,899,693	12,171,253
Total Eligible Capital (Tier 1 + Tier 2)	48,971,889	53,963,911
Risk Weighted Assets (RWAs):		
Credit Risk	194,894,306	146,543,665
Market Risk	14,008,884	3,897,306
Operational Risk	83,943,221	73,387,322
Total	292,846,411	223,828,293
Common Equity Tier 1 Capital Adequacy ratio	14.03%	17.33%
Tier 1 Capital Adequacy Ratio	15.05%	18.67%
Total Capital Adequacy Ratio	16.72%	24.11%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

47.1 The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	2025	2024
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	44,072,196	41,792,658
Total Exposures	831,827,536	880,567,551
Leverage Ratio	5.30%	4.75%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	366,424,354	318,819,831
Total Net Cash Outflow	113,607,382	90,470,492
Liquidity Coverage Ratio	322.54%	352.40%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	590,149,224	580,745,235
Total Required Stable Funding	261,231,770	211,839,059
Net Stable Funding Ratio	225.91%	274.14%

47.2 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Holding Company's website. The link to the full disclosures is available at www.bankislami.com.pk/investor-relations

48 RISK MANAGEMENT

The objective of Risk Management is to effectively manage uncertainties that arise in the normal course of business activities. The risk management function is one of the most important areas of the Holding Companying business, and covers a wide spectrum of financial business risk class; including Credit, Market, Liquidity, Operational etc. the Holding Company follows effective risk governance which commensurate well with its current size and structure.

As a prelude to countering the financial debacle of the recent past, the Basel Committee (Internationally) is raising the resilience of the Holding Companying sector by strengthening the regulatory capital framework, essentially building on the three pillars of the Basel II structure. The reforms raise both the quality and quantity of the regulatory capital base and enhance the risk coverage of the capital framework. SBP, while being cognizant of the various reforms in the offing, is reviewing the impact of Basel III (B3) guidelines on the capital structure and CAR (Capital Adequacy Ratio) through quantitative impact studies. Accordingly, the SBP has implemented first phase of Basel III framework with effect from December 31, 2013.

RISK MANAGEMENT FRAMEWORK

A well formulated policy and procedure is critical to an effective Risk Management framework; it then needs to be reinforced through a strong control culture that promotes sound risk governance. the Holding Company's Risk Management Framework has been developed keeping in mind, that:

- To be effective, control activities should be an integral part of the regular activities of the Holding Company;
- Every loss or near miss event should provide some Key Learning Outcome (KLO), helping and promoting a better risk identification and mitigation;
- While the reward may well commensurate the level of risk, it has to be viewed in entirety and not in isolation; and
- Critical decision making should be based on relevant research, proper analysis and effective communication within the Holding Company.

Strategic Level

At the strategic level, the risk related functions are approved by the senior management and the Board. These include: defining risks, setting parameters, ascertaining the institution's risk appetite, formulating strategy and policies for managing risks and establishing adequate systems and controls to ensure that overall risk remains within acceptable level and the reward compensates for the risk taken.

Macro Level

It encompasses risk management within a business area or across business lines. Generally the risk management activities performed by middle management or units devoted to risk reviews fall into this category. Periodical review of various portfolios; stress test and scenario analysis for portfolio resilience; application of statistical tools and information in time series for developing strong inferences are all performed at this level.

Micro Level

Risk management at micro level, is of critical importance. This function if performed with diligence and understanding, can be of maximum benefit to the organization. Micro level risk management includes:

- Business line acquisition, strong adherence to the credit and other related criteria.
- Middle Office monitoring function for a sound risk assessment of various risks inherent in treasury operations.
- Detailed review of various processes and operating procedures, for operational and other risk related assessments.

Risk appetite of the Holding Company

The risk appetite of the Holding Company is an outcome of its corporate goal, economic profitability, available resources (size and business life cycle) and most significantly; the controls. the Holding Company believes in a cautious yet steady approach towards its business objectives and takes a holistic view of its investment and financing requirement.

This approach is primarily based on a viable portfolio build-up with a long-term view; key consideration being the health of various portfolios.

Risk organization

A strong organizational set-up, with clearly defined roles and responsibilities permits a higher level of articulation of the Holding Company's risk mandate, establishment of a structure that provides for authority, delegation and accountability, and development of control framework. Risk management cannot live in a vacuum; in order to be effective, it has to be run at an enterprise level. Risk governance must involve all relevant parties and should be sanctioned by the Holding Company's leadership.

The risk management function at the Holding Company, along with the different committees including ALCO (Asset Liability Committee), MCC (Management Credit Committee), BRMC (Board Risk Management Committee) manage and adhere to the risk management policies and procedures, with an explicit aim to mitigate/ manage risk in line with the Holding Company's objectives.

Business line accountability

One of the most important features of the risk management process is the business line accountability. Business has to understand the risk implication of specific transaction on the business / portfolio. Some specific risks e.g. reputation risk affects the entire banking business and is not limited to one business line or the other. At BankIslami, as in any other reputable organization, responsibility comes with accountability. Each business segment is responsible for the profit / loss of the business. The management of risk is as much a line function as it supports.

Business lines are equally responsible for the risks they are taking. Because line personnel understand the risks of the business. Lack of an understanding of this by the line management may lead to risk management in isolation.

48.1 Credit Risk

the Holding Company 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 Credit Policy approved by the Board of Directors. Credit Risk has certain sub-categories as follows:

(i) Price risk

There is a risk that the asset repossessed due to default of the customer may be sold or leased out to another party at a price lower than the original contract price.

(ii) Counter party risk

The risk that the counter-party defaults during the term of a transaction (Murabahah, Diminishing Musharakah etc.).

(iii) Settlement risk

The risk that the counter-party does not meet its commitments at the maturity of the transaction after the Holding Company has already met its commitments.

(iv) Country risk

Country Risk can be defined as the risk of adverse impact of certain factors on a country's specific economic, political and social scenario which affects the ability of the country (or a borrower in that country) to repay its obligations. Country risk may be a combination of Transfer Risk and Sovereign Risk.

Particulars of the Holding Company's significant on-balance sheet and off-balance sheet credit risk in various sectors are analyzed as follows:

48.1.1 Due from financial institutions

Credit risk by public / private sector

	Gross due from financial institutions		Non-performing due from financial institutions		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
					2025			2024		
	----- Rupees in '000 -----									
Public/ Government	-	-	-	-	-	-	-	-	-	-
Private	19,000,000	4,272,508	-	14,580	48	-	-	-	-	14,580
	<u>19,000,000</u>	<u>4,272,508</u>	<u>-</u>	<u>14,580</u>	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,580</u>

48.1.2 Investment in Shariah Compliant debt securities

	Gross Investments		Non-performing investments		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
					2025			2024		
----- Rupees in '000 -----										
Credit risk by industry sector										
Federal Government Shariah										
Compliant Securities	314,736,239	311,025,501	-	-	-	-	-	-	-	-
Power (electricity), Gas, Water, Sanitary	487,721	32,277,326	-	-	-	-	-	-	-	-
Services	56,616	56,616	56,614	56,615	-	-	56,614	-	-	56,615
Textile	221,250	221,251	221,250	221,251	-	-	-	-	-	-
Financial	71,072	71,072	21,073	21,072	-	-	21,073	-	-	21,072
Production and transmission of energy	-	33,333	-	-	-	-	-	-	-	-
Chemical and Pharmaceuticals	394,692	398,333	-	-	-	-	-	-	-	-
Construction	32,800	32,800	32,800	32,800	-	-	32,800	-	-	32,800
Electronics and electrical appliances	116,667	55,000	55,000	55,000	-	-	-	-	-	-
Food and Beverages	1,010,580	-	-	-	-	-	-	-	-	-
Others	71,332	145,166	-	-	54	-	-	3	-	-
	317,198,969	344,316,398	386,737	386,738	54	-	110,487	3	-	110,487
Credit risk by public / private sector										
Public/ Government	315,223,960	330,109,225	-	-	-	-	-	-	-	-
Private	1,975,009	14,207,173	386,737	386,738	54	-	110,487	3	-	110,487
	317,198,969	344,316,398	386,737	386,738	54	-	110,487	3	-	110,487

48.1.3 Islamic financing, related assets and advances - net

Credit risk by industry sector

	Gross Financing		Non-performing financing, related assets and advances		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
					2025			2024		
----- Rupees in '000 -----										
Agriculture, Forestry, Hunting and Fishing	14,231,272	9,735,547	996,536	959,860	359,493	546	948,069	565,604	5,162	870,236
Automobile and transportation equipment	2,059,914	27,326	-	-	12,996	-	-	846	871	-
Cement	746,301	2,074,411	500,000	500,000	10,343	-	500,000	20,346	-	500,000
Chemical and Pharmaceuticals	13,665,072	13,679,772	153,138	271,554	123,704	-	116,616	105,329	5,490	271,350
Construction	17,714,095	12,307,002	595,206	683,993	236,842	4,099	594,186	58,560	6,541	643,843
Education	3,926,646	1,822,416	-	-	31,385	661	-	24,153	4,355	-
Electronics and electrical appliances	6,703,771	4,821,646	1,416,444	2,386,032	30,023	341,199	1,335,142	15,148	849	1,561,372
Exports / Imports	400,214	340,578	4,000	319,148	1,375	84,091	4,000	581	-	68,848
Financial	34,824,903	80,105,453	223,400	240,400	46,285	-	223,200	30,454	-	240,189
Food and Beverages	16,520,174	11,440,184	2,454,983	2,177,585	196,113	89	2,319,097	92,487	28,702	1,851,468
Footwear and Leather garments	1,050,913	3,167,440	2,459	2,459	7,695	25	2,459	39,690	227	2,459
Individuals	35,941,604	36,517,973	3,410,987	4,061,066	322,451	155,192	2,740,159	480,925	228,285	3,877,063
Packing and Paper products	5,387,438	4,499,288	1,947	99,762	70,166	6,731	1,947	62,433	1,889	27,523
Power (electricity), Gas, Water, Sanitary	13,966,527	16,235,669	375,354	639,354	134,603	-	372,113	91,111	-	572,514
Services	44,268,321	23,718,248	43,865	56,892	306,062	10,520	31,390	369,460	7,244	35,581
Sugar	10,129,118	15,948,083	558,108	584,108	119,386	62,222	558,108	113,237	66,726	584,108
Textile	55,920,921	60,025,854	5,718,198	5,678,438	382,686	126,233	5,651,315	335,991	209	5,611,860
Transport, Storage and Communication	12,763,727	7,981,804	909,107	911,577	175,343	26,039	900,366	57,310	82,770	891,951
Wholesale and Retail Trade	7,805,993	3,850,166	312,791	341,228	188,673	6,634	308,576	76,924	2,479	320,110
Iron & Steel	4,840,434	5,623,932	1,973,120	1,985,154	24,525	41,183	1,972,898	34,081	-	1,971,662
Health & Care	557,722	402,399	-	2,652	10,071	-	-	3,958	-	1,325
Private Trusts & Non-profit Organization	1,338,594	26,970	-	-	19,387	-	-	1,178	-	-
Others	17,441,501	12,832,649	2,334,961	2,365,496	313,601	75,984	2,314,990	181,419	26,981	2,343,050
	322,205,175	327,184,810	21,984,604	24,266,758	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512

Credit risk by public / private sector

	Gross Financing		Non-performing financing, related assets and advances		Credit loss allowance held			Credit loss allowance held		
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
					2025			2024		
----- Rupees in '000 -----										
Public/ Government	49,877,492	16,591,140	-	-	-	-	-	-	-	-
Private	272,327,683	310,593,670	21,984,604	24,266,758	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512
	322,205,175	327,184,810	21,984,604	24,266,758	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512

48.1.4 Contingencies and Commitments

Credit risk by industry sector

	2025	2024
	----- Rupees in '000 -----	
Agriculture, Forestry, Hunting and Fishing	7,681,901	13,162,722
Mining and Quarrying	-	4,452
Textile	47,432,218	94,496,145
Chemical and Pharmaceuticals	9,454,189	5,280,591
Cement	2,789,986	1,026,046
Sugar	5,036,911	40,339,390
Footwear and Leather garments	700,430	950,197
Automobile and transportation equipment	1,740,919	2,897,916
Education	2,020	131,781
Electronics and electrical appliances	5,589,852	2,839,639
Production and transmission of energy	5,415	1,503,641
Construction	12,654,937	5,062,332
Power (electricity), Gas, Water, Sanitary	1,267,621	6,454,004
Wholesale and Retail Trade	3,826,599	9,962,089
Exports / Imports	7,591,943	77,630,302
Transport, Storage and Communication	3,020,708	8,485,858
Financial	63,808,921	163,704,366
Services	17,681,883	16,085,211
Individuals	852,592	2,368,094
Food and beverages	5,979,166	7,082,198
Manufacturing	8,121,830	17,796,055
Packing and Paper products	5,098,517	3,501,639
Others	27,627,856	15,395,595
	<u>237,966,414</u>	<u>496,160,263</u>

Credit risk by public / private sector

Public/ Government	13,484,804	78,835,704
Private	224,481,610	417,324,559
	<u>237,966,414</u>	<u>496,160,263</u>

48.1.5 Concentration of Financing

The Holding Company top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 105,708 million (2024: Rs. 130,788 million) are as following:

	2025	2024
	----- Rupees in '000 -----	
Funded	86,316,464	121,521,031
Non Funded	19,391,761	9,266,911
Total Exposure	<u>105,708,225</u>	<u>130,787,942</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 136,758 million (2024: Rs. 141,317 million).

For the purpose of this note, exposure means outstanding funded facilities and utilized non-funded facilities as at the reporting date.

48.1.6 Total funded classified therein

	2025		2024	
	Amount	Credit loss allowance held	Amount	Credit loss allowance held
	----- Rupees in '000 -----			
OAEM	161,609	55,327	264,933	47,483
Substandard	434,709	198,767	1,767,062	981,368
Doubtful	800,477	470,502	911,076	474,167
Loss	20,587,809	20,170,035	21,323,687	20,743,494
Total	21,984,604	20,894,631	24,266,758	22,246,512

48.1.7 Financing - Province/Region-wise Disbursement & Utilization

Province / Region	2025						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	----- Rupees in '000 -----						
Punjab	47,466,801	47,466,801	-	-	-	-	-
Sindh	128,616,232	-	128,616,232	-	-	-	-
KPK including FATA	826,128	-	-	826,128	-	-	-
Baluchistan	377,236	-	-	-	377,236	-	-
Islamabad	79,731,057	-	-	-	-	79,731,057	-
AJK including Gilgit-Baltistan	62,870	-	-	-	-	-	62,870
Total	257,080,324	47,466,801	128,616,232	826,128	377,236	79,731,057	62,870

Province / Region	2024						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	----- Rupees in '000 -----						
Punjab	24,225,818	24,225,818	-	-	-	-	-
Sindh	71,161,540	-	71,161,540	-	-	-	-
KPK including FATA	66,578	-	-	66,578	-	-	-
Baluchistan	24,882	-	-	-	24,882	-	-
Islamabad	13,185,781	-	-	-	-	13,185,781	-
AJK including Gilgit-Baltistan	1,827	-	-	-	-	-	1,827
Total	108,666,426	24,225,818	71,161,540	66,578	24,882	13,185,781	1,827

48.1.8 Forward-looking Information contained in Expected Credit Loss (ECL)

The Holding Company's Expected Credit Loss (ECL) framework integrates forward-looking information by incorporating macroeconomic variables to enhance the accuracy and reliability of credit risk estimates. The use of forward-looking data enables the Holding Company to better anticipate potential credit losses under varying economic conditions.

To estimate Probability of Default (PD) and Loss Given Default (LGD), the Holding Company utilizes forecasted macroeconomic data. The key variables considered include Gross Domestic Product (GDP), Consumer Price Index (CPI), Unemployment and Exports. Forecasted data is sourced from reputable institutions such as the International Monetary Fund (IMF). The selection of variables is based on their relevance and sensitivity to specific portfolios.

The Holding Company has developed three macroeconomic scenarios—Base, Best, and Worst—to reflect potential economic conditions. These scenarios are assigned probability weightings of 60% for the Base scenario, 15% for the Best scenario, and 25% for the Worst scenario, ensuring a balanced and comprehensive assessment of credit risk exposure.

As part of its forward-looking assessment, the Holding Company conducts sensitivity analyses on the macroeconomic indicators used in ECL calculations. As of December 31, 2025, the Holding Company applied a 10% upward and downward adjustment to the macroeconomic variables in the Base scenario to evaluate the impact on PD. The resulting variations across different portfolio segments under changing economic conditions are as follows:

Segments	Upwards	Downwards
Corporate	-4.63%	4.86%
SME	-3.42%	3.51%
Muskan	-11.41%	12.81%
Auto	-6.77%	7.24%
Agriculture	-4.71%	5.01%

48.1.9 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. the Holding Company performs sensitivity analysis on the ECL recognized on each of its segments.

The table below illustrates the loss allowance by segment under the assumption that each forward-looking scenario (Base, Best, and Worst) is applied at full weight individually, instead of distributing probabilities across all three scenarios.

Segment	Base		Best		Worst		
	Total charge as per IFRS 9 Rs.in 000	Total ECL after sensitivity analysis Rs.in 000	Increase / (decrease) in %	Total ECL after sensitivity analysis Rs.in 000	Increase / (decrease) in %	Total ECL after sensitivity analysis Rs.in 000	Increase / (decrease) in %
Corporate	15,173,861	15,152,266	(0.14)	14,976,892	(1.30)	15,341,029	1.10
SME	2,352,215	2,343,718	(0.36)	2,269,361	(3.52)	2,422,319	2.98
Muskun	1,471,347	1,438,323	(2.24)	1,315,839	(10.57)	1,643,911	11.73
Auto	683,312	671,011	(1.80)	606,070	(11.30)	759,178	11.10
Agriculture	275,031	264,240	(3.92)	215,256	(21.73)	336,791	22.46
Advances	5,003,521	5,003,521	-	5,003,521	-	5,003,521	-
Total	24,959,287	24,873,079	0.76	24,386,939	(3.18)	25,506,749	0.96

48.2 Market Risk

Market risk is defined as the risk of losses in on-and-off balance sheet positions arising from movements in market prices e.g. fluctuations in values in tradable, marketable or leasable assets. The risks relate to the current and future volatility of market values of specific assets and of foreign exchange rates and benchmark yields.

The Holding Company uses various tools and techniques to assess market risk including but not limited to full valuation, stress testing, scenario analysis, VaR. These assessment methods enable the Holding Company to estimate changes in the value of the portfolio, if exposed to various risk factors.

Moreover, since the Holding Company does not deal in interest based products, the impact of the above risks will be very minimal. the Holding Company does not have positions or forward exchange contracts giving mismatches of maturity unless such risks have been taken care of through some other mechanism.

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.

48.2.1 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	71,821,007	-	71,821,007	41,093,952	-	41,093,952
Balances with other banks	1,069,764	-	1,069,764	984,866	-	984,866
Due from financial institutions	18,999,952	-	18,999,952	4,257,928	-	4,257,928
Investments	321,434,360	252,744	321,687,104	344,876,470	175,083	345,051,553
Islamic financings, related assets & advances	291,750,609	-	291,750,609	296,097,250	-	296,097,250
Property and equipment	25,407,260	-	25,407,260	15,103,969	-	15,103,969
Right-of-use assets	5,655,325	-	5,655,325	4,314,535	-	4,314,535
Intangible assets	4,743,612	-	4,743,612	4,097,172	-	4,097,172
Deferred tax assets	4,286,765	-	4,286,765	-	-	-
Other assets	24,664,577	-	24,664,577	26,883,337	-	26,883,337
	769,833,231	252,744	770,085,975	737,709,479	175,083	737,884,562

48.2.2 Foreign Exchange Risk

Currency risk is the risk of loss arising from the fluctuations of exchange rates.

In the normal course of conducting commercial banking business, which ranges from intermediation only to taking on principal risk as dealer or as counterparty, the Holding Company purchases or sells currencies in today / ready and gives or receives unilateral promises for sale or purchase of FX at future dates in a long or short position in different currency pairs. These positions expose the Holding Company to foreign exchange risk. To control this risk, the Holding Company primarily uses notional principal limits at various levels to control the open position, and ultimately the residual foreign exchange risk of the Holding Company. The Holding Company also strictly adheres to all associated regulatory limits.

Following is the summary of the assets of the Holding Company subject to foreign exchange risk.

	2025				2024			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
----- Rupees in '000 -----								
Pakistan Rupee	762,401,204	692,534,182	(14,345,814)	55,521,208	733,556,482	661,582,796	(14,345,814)	57,722,180
United States Dollar	6,961,257	26,121,750	9,244,822	(9,915,671)	3,670,976	25,435,436	12,158,782	(9,605,678)
Great Britain Pound	190,723	1,340,810	1,133,227	(16,860)	154,161	1,310,665	1,188,999	32,495
Japanese Yen	10,523	55	-	10,468	4,177	55	-	4,122
Euro	320,359	1,525,187	-	(1,204,828)	265,691	1,321,221	998,033	(57,497)
UAE Dirham	27,295	9,233	-	18,062	83,990	19,421	-	64,569
Asian Currency Unit	105,541	-	-	105,541	42,791	-	-	42,791
Swiss Franc	-	-	-	-	-	-	-	-
Chinese Yuan	12,762	-	-	12,762	17,620	-	-	17,620
Australian Dollar	8,011	2,492	-	5,519	21,028	-	-	21,028
Saudi Riyal	42,146	20,011	-	22,135	61,485	-	-	61,485
Canadian Dollar	6,124	10,762	-	(4,638)	6,124	-	-	6,124
Turkish Lira	30	-	-	30	37	-	-	37
	770,085,975	721,564,482	(3,967,765)	44,553,728	737,884,562	689,669,594	-	48,309,276

	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	109,675	-	94,129	-
- Other comprehensive income	-	-	-	-

48.2.3 Equity Position Risk

Equity position includes the following:

- Strategic investments
- Investment in equities for generating revenue in short term

These equity investments are accounted for and disclosed as per the provisions and directives of SBP, SECP and the requirements of approved International Financial Reporting Standards as applicable in Pakistan.

Provision for diminution in the value of securities is made after considering impairment, if any, in their value and charged to the profit and loss account.

	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	-	10,137	-	6,254
- Other comprehensive income	219,797	-	36,028	-

48.2.4 Yield / Profit Rate Risk

It includes all material yield risk positions of the Holding Company taking into account all re-pricing and maturity data. It includes current balances and contractual yield rates, the Holding Company understands that its Islamic financing and related assets shall be re-priced as per their respective contracts.

The Holding Company estimates changes in the economic value of equity due to changes in the yield rates on on-balance sheet positions by conducting duration gap analysis. It also assesses yield rate risk on earnings of the Holding Company by applying upward and downward shocks.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
----- Rupees in '000 -----				
Impact of 1% change in profit rates on				
- Profit and loss account	356,840	-	463,866	-
- Other comprehensive income	-	-	-	-

48.2.5 Mismatch of Yield / Profit Rate Sensitive Assets and Liabilities

Effective Yield / Profit rate	Total	2025									Non-profit bearing financial instruments
		Exposed to Yield / Profit 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	

On-balance sheet financial instruments

Assets

Cash and balances with treasury banks		71,821,007	-	-	-	-	-	-	-	-	-	-	71,821,007
Balances with other banks	0.00%	1,069,764	645,488	-	-	-	-	-	-	-	-	-	424,276
Due from financial institutions	12.89%	18,999,952	18,999,952	-	-	-	-	-	-	-	-	-	-
Investments	11.91%	321,687,104	20,431,997	4,632,540	287,136,579	4,875,315	-	-	-	-	-	-	4,610,673
Islamic financing, related assets and advances	11.18%	291,750,609	11,343,262	31,737,969	47,866,864	176,169,182	10,663,315	7,338,083	618,507	1,930,548	4,082,879	-	-
Other assets		24,664,577	-	-	-	-	-	-	-	-	-	-	24,664,577
		729,993,013	51,420,699	36,370,509	335,003,443	181,044,497	10,663,315	7,338,083	618,507	1,930,548	4,082,879	-	101,520,533

Liabilities

Bills payable		9,895,158	-	-	-	-	-	-	-	-	-	-	9,895,158
Due to financial institutions	11.56%	14,613,108	1,915,404	1,935,851	479,824	91,379	1,702,196	2,638,217	1,399,810	4,447,692	2,735	-	-
Deposits and other accounts	5.23%	658,990,028	371,126,672	-	-	-	-	-	-	-	-	-	287,863,356
Lease liabilities		6,604,095	-	-	-	-	-	-	-	-	-	-	6,604,095
Subordinated sukuk	14.37%	3,000,000	-	3,000,000	-	-	-	-	-	-	-	-	-
Other liabilities		28,462,093	-	-	-	-	-	-	-	-	-	-	28,462,093
		721,564,482	373,042,076	4,935,851	479,824	91,379	1,702,196	2,638,217	1,399,810	4,447,692	2,735	-	332,824,702

On-balance sheet gap

		8,428,531	(321,621,377)	31,434,658	334,523,619	180,953,118	8,961,119	4,699,866	(781,303)	(2,517,144)	4,080,144	-	(231,304,169)
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Off-balance sheet financial instruments

Documentary credits and short-term trade-related transactions		67,948,449	67,948,449	-	-	-	-	-	-	-	-	-	-
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Commitments in respect of:

- forward foreign exchange contracts		85,352,408	40,805,960	18,069,197	25,991,187	486,064	-	-	-	-	-	-	-
- other commitments		82,860,291	82,860,291	-	-	-	-	-	-	-	-	-	-

Off-balance sheet gap

		236,161,148	191,614,700	18,069,197	25,991,187	486,064	-	-	-	-	-	-	-
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Total Yield/Profit Rate Risk Sensitivity Gap

		(130,006,677)	49,503,855	360,514,806	181,439,182	8,961,119	4,699,866	(781,303)	(2,517,144)	4,080,144	(231,304,169)
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Cumulative Yield/Profit Rate Risk Sensitivity Gap

		(130,006,677)	(80,502,822)	280,011,984	461,451,166	470,412,285	475,112,151	474,330,848	471,813,704	475,893,848	244,589,679
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Effective Yield / Profit rate	Total	2024									Non-profit bearing financial instruments
		Exposed to Yield / Profit 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	

On-balance sheet financial instruments

Assets

Cash and balances with Treasury Banks		41,093,952	-	-	-	-	-	-	-	-	-	-	41,093,952
Balances with other Banks	0.00%	984,866	318,025	-	-	-	-	-	-	-	-	-	666,841
Due from financial institutions	22.36%	4,257,928	4,257,928	-	-	-	-	-	-	-	-	-	-
Investments	17.86%	345,051,553	52,674,908	28,011,446	262,112,553	1,407,000	-	-	-	-	-	-	845,646
Islamic financing, related assets and advances	17.08%	296,097,250	36,750,756	50,859,305	53,073,609	88,490,912	971,143	2,996,631	5,200,638	8,447,630	8,914,861	-	40,391,765
Other assets		26,883,337	-	-	-	-	-	-	-	-	-	-	26,883,337
		714,368,886	94,001,617	78,870,751	315,186,162	89,897,912	971,143	2,996,631	5,200,638	8,447,630	8,914,861	-	109,881,541

Liabilities

Bills payable		13,773,529	-	-	-	-	-	-	-	-	-	-	13,773,529
Due to financial institutions	14.02%	87,662,161	66,297,367	2,512,160	1,746,603	1,865,443	5,052,892	1,798,429	2,010,952	6,321,441	56,874	-	-
Deposits and other accounts	6.62%	559,177,927	346,312,986	-	-	-	-	-	-	-	-	-	212,864,941
Lease liabilities		4,839,747	-	-	24,314	4,045	26,072	-	4,785,316	-	-	-	-
Subordinated sukuk	18.83%	3,000,000	-	3,000,000	-	-	-	-	-	-	-	-	-
Other liabilities		19,706,230	-	-	-	-	-	-	-	-	-	-	19,706,230
		688,159,594	412,610,353	5,512,160	1,770,917	1,869,488	5,078,964	1,798,429	6,796,268	6,321,441	56,874	-	246,344,700

On-balance sheet gap

		26,209,292	(318,608,736)	73,358,591	313,415,245	88,028,424	(4,107,821)	1,198,202	(1,595,630)	2,126,189	8,857,987	-	(136,463,159)
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Off-balance sheet financial instruments

Documentary credits and short-term trade-related transactions		39,937,618	39,937,618	-	-	-	-	-	-	-	-	-	-
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Commitments in respect of:

- forward foreign exchange contracts		174,461,152	101,197,022	42,255,512	29,305,052	1,703,566	-	-	-	-	-	-	-
- other commitments		281,040,900	281,040,900	-	-	-	-	-	-	-	-	-	-

Off-balance sheet gap

		495,439,670	422,175,540	42,255,512	29,305,052	1,703,566	-	-	-	-	-	-	-
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Total Yield/Profit Rate Risk Sensitivity Gap

		103,566,804	115,614,103	342,720,297	89,731,990	(4,107,821)	1,198,202	(1,595,630)	2,126,189	8,857,987	(136,463,159)
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Cumulative Yield/Profit Rate Risk Sensitivity Gap

		103,566,804	219,180,907	561,901,204	651,633,194	647,525,373	648,723,575	647,127,945	649,254,134	658,112,121	521,648,962
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48.3 Operational Risk

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external / internal events. The risk is different from the others, since it has a greater level of uncertainty and may be termed as a little difficult to measure. The Holding Company believes that prudence should be lived and breathed through the organizational culture.

At a more formal level, the Holding Company has strengthened its risk management framework by developing policies, guidelines and manuals. Operational and other risk assessment tool e.g. Risk Control and Self Assessment (RCSA) is being effectively used to assess, mitigate and monitor possible risk that may arise in any of the Holding Company's financial product or department. Operational Loss Database (OLD) records all the internal / external potential operational losses which helps the management understand the causes and impact of these risks.

48.3.1 Operational Risk-Disclosures Basel II Specific

The Holding Company uses Basic Indicator Approach (BIA) for assessing the capital charge for operational risk. Under BIA the capital charge is calculated by multiplying average annual gross income of the Holding Company over the past three years with 15% as per guidelines issued by State Bank of Pakistan.

To reduce losses arising from operational risk, the Holding Company has strengthened its risk management framework by developing strategies, policies, guidelines and manuals. It also includes risk and control self-assessment, key risk indicator, loss data management, improving efficiency and effectiveness of operations and improving quality of human resource through training and mitigation of operational risk.

48.4 Liquidity Risk

Liquidity risk is the potential loss to the Holding Company arising from its inability either to meet its obligations (financial) or to fund increases in assets as they fall due without incurring unacceptable costs or losses.

BankIslami Pakistan Limited's liquidity at various levels (day to day, short term, long term) is managed by the Treasury along with the Asset and Liability Management Committee (ALCO), which is one of the most important management level committees. Its role cannot be overemphasized here, it serves as a part of the critical trio with risk management and treasury department, monitoring and maintaining key liquidity ratios, a viable funding mix, depositor concentration, reviewing contingency plans etc.

Liquidity risk is defined as the potential loss arising from the Holding Company's inability to meet in an orderly way its contractual obligations when due. Liquidity risk arises in the general funding of the Holding Company's activities and in the management of its assets. The Holding Company maintains sufficient liquidity to fund its day-to-day operations, meet customer deposit withdrawals either on demand or at contractual maturity, meet customers' demand for new financings, participate in new investments when opportunities arise, and to meet any other commitments. Hence, liquidity is managed to meet known as well as unanticipated cash funding needs.

The Holding Company calculates the Liquidity Coverage Ratio (LCR) on monthly basis as per SBP Basel III Liquidity Standards issued under BPRD circular no 08 dated June 23, 2016. The objective of LCR is to ensure the short-term resilience of the liquidity risk profile of the Holding Company which requires banks to maintain sufficient High Quality Liquid Assets (HQLAs) to meet stressed cash outflows over a prospective 30 calendar-days period. As of December 31, 2025, the Holding Company's LCR stood at 322.54% against the SBP's minimum requirement of 100%.

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. Banks are expected to meet the NSFR requirement of at least 100% on an ongoing basis.

Governance of Liquidity Risk Management

Liquidity and related risks are managed through standardized processes established in the Holding Company. Board and senior management are apprised about liquidity profile of the Holding Company on periodic basis so as to ensure proactive liquidity management and to avoid abrupt shocks. The management of liquidity risk within the Holding Company is undertaken within limits and other policy parameters set by ALCO, which meets monthly and reviews compliance with policy parameters. Day to day monitoring is done by the treasury while overall compliance is monitored and coordinated by the ALCO and includes reviewing the actual and planned strategic growth of the business and its impact on the statement of financial position and monitoring the Holding Company's liquidity profile and associated activities. The Holding Company's treasury function has the primary responsibility for assessing, monitoring and managing bank's liquidity and funding strategy. Treasury Middle Office being part of Risk management group is responsible for the independent identification, monitoring & analysis of risks inherent in treasury operations. The Holding Company has in place duly approved Treasury investment policy and strategy along with liquidity risk tolerance/appetite levels. These are communicated at various levels so as to ensure effective liquidity management for the Holding Company.

Funding Strategy

The Holding Company's prime source of liquidity is the customer's deposit base. Within deposits, the Holding Company strives to maintain a healthy core deposit base in form of current and saving deposits and avoid concentration in particular products, tenors and dependence on large fund providers. Further, the Holding Company relies on Interbank placement for stop gap funding arrangements but same is less preferred source of liquidity. Within acceptance, sources of funding are also diversified to minimize concentration. Usually interbank placement is for short term. the Holding Company follows centralized funding strategy so as to ensure achievement of strategic and business objectives of the Holding Company.

Liquidity Risk Mitigation Techniques

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios like cash to deposits, financing to deposit ratio, liquid assets to total deposits, Interbank placement to total deposits and large deposits to total deposits which are monitored on daily basis against different trigger levels and communicated to senior management and to ALCO forum regularly. Further, the Holding Company also prepares the maturity profile of assets and liabilities to monitor the liquidity gaps over different time buckets. For maturity analysis, behavioural study techniques are also used to determine the behaviour of non-contractual assets and liabilities based on historic data and statistical techniques. the Holding Company also ensures to maintain statutory cash and liquidity requirements all times.

Liquidity Stress Testing

As per SBP BSD Circular No. 1 of 2012, liquidity stress testing is being conducted under various stress scenarios. Shocks include the withdrawals of deposits and increase in assets, withdrawals of wholesale / large deposits & interbank placement and utilization of undrawn credit lines etc. Results of same are escalated at the senior level so as to enable the senior management to take proactive actions to avoid liquidity crunch for the Holding Company.

Contingency Funding Plan

Contingency Funding Plan (CFP) is a part of liquidity management framework of the Holding Company which identifies the trigger events that could cause a liquidity crisis and describes the actions to be taken to manage the crisis. At the Holding Company, a comprehensive liquidity contingency funding plan is prepared which highlights liquidity management chain that needs to be followed. Responsibilities and crisis management phases are also incorporated in order to tackle the liquidity crisis. Moreover, CFP highlights possible funding sources, in case of a liquidity crisis.

Main Drivers of LCR Results

Main drivers of LCR Results are High Quality Liquid Assets and Net cash outflows. Outflows are mainly deposit outflows net of cash inflows which consist of inflows from financing and money market placements up to 1 month. The inputs for calculation of LCR are as prescribed by the regulator.

Composition of High Quality Liquid Assets - HQLA

High Quality Liquid Assets composed of Level-1 Assets which can be included in the stock of liquid assets at 100% of their market value. The Holding Company has taken Cash & treasury balances, Investments in Government of Pakistan backed Sukuks classified as Available for Sale category and foreign currency placements issued by sovereigns. Further, Level 2-A asset category includes investment in corporate sukuk.

Concentration of Funding Sources

Being a commercial bank, it relies on funds provided by depositors. However the Holding Company has been continuously improving upon its ratio of core deposits. Current and Saving accounts consist of 71.19% of total deposits, term deposits are 28.81% and acceptance from SBP and financial institutions is 2.22% of total deposits. Moreover the Holding Company does not rely on top few depositors to meet its funding requirements. This clearly shows that the funding sources for the Holding Company are well diversified.

Currency Mismatch in the LCR

Currency mismatch is minimal as FCY deposits are 4.37% of the Holding Company's total deposits.

48.4.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Holding Company

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 months to 6 months	Over 6 months 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	71,821,007	71,821,007	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	1,069,764	1,069,764	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	18,999,952	-	6,999,969	-	11,999,983	-	-	-	-	-	-	-	-
Investments	321,687,104	-	-	-	-	-	2,113,703	4,900,314	76,417,966	81,035,922	91,148,153	61,322,380	4,748,666
Islamic financing, related assets and advances	291,750,609	7,711,793	1,658,804	1,377,374	1,317,931	3,729,543	4,874,434	33,060,351	14,321,859	16,732,619	29,766,019	29,626,315	37,245,169
Property and equipment	25,407,260	-	-	-	641,150	219,648	231,402	710,287	643,016	659,103	2,287,662	2,000,549	5,487,711
Right-of-use assets	5,655,325	-	-	-	1,771	1,554	9,382	18,959	68,079	64,798	431,142	1,447,447	3,612,193
Intangible assets	4,743,612	-	-	-	45,336	45,721	43,038	131,987	138,613	123,384	486,933	390,343	335,183
Deferred tax assets	4,286,765	-	-	-	-	-	-	-	4,286,765	-	-	-	-
Other assets	24,664,577	203,649	45,184	36,301	582,273	98,855	832,993	1,437,539	875,249	1,541,210	2,789,639	3,355,193	3,901,323
	770,085,975	80,806,213	8,703,957	1,413,675	14,588,444	4,095,321	5,991,249	37,472,826	20,947,130	99,825,845	116,797,317	127,968,000	111,903,959
Liabilities													
Bills payable	9,895,158	9,895,158	-	-	-	-	-	-	-	-	-	-	-
Due to financial institutions	14,613,108	1,483	701,477	29,898	1,182,546	841,791	1,094,060	479,824	76,673	14,706	1,702,196	2,638,217	1,399,810
Deposits and other accounts	658,990,028	285,767	134,891	35,989,993	56,078,291	24,503,474	31,517,792	51,509,016	26,166,438	45,627,352	30,535,741	43,555,580	72,485,535
Lease liabilities	6,604,095	-	-	-	2,786	5,865	4,997	38,389	105,155	108,251	650,340	1,768,046	3,920,266
Subordinated sukuk	3,000,000	-	-	-	-	-	-	-	-	-	-	-	3,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	28,462,093	2,330	46,346	283,346	1,426,752	245,950	1,494,790	1,319,305	920,275	357,723	1,746,053	2,606,966	4,150,398
	721,564,482	10,184,738	882,714	36,303,237	58,690,375	25,597,080	34,111,639	53,346,534	27,268,541	46,108,032	34,634,330	50,568,829	81,956,009
Net assets	48,521,493	70,621,475	7,821,243	(34,889,562)	(44,101,931)	(21,501,759)	(28,120,390)	(15,873,708)	(6,321,411)	53,717,813	82,162,987	77,399,171	29,947,950
Share capital - net	11,007,991												
Reserves	8,367,355												
Surplus on revaluation of assets	4,306,495												
Unappropriated profit	24,839,652												
	<u>48,521,493</u>												

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 months to 6 months	Over 6 months 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	41,093,952	41,093,952	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	984,866	984,866	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	4,257,928	-	-	-	4,257,928	-	-	-	-	-	-	-	-
Investments	345,051,553	-	-	-	-	-	-	12,355,659	33,331,908	16,128,393	38,342,604	66,464,383	173,777,489
Islamic financing, related assets and advances	296,097,250	13,806,832	6,569,833	11,014,939	44,171,323	16,191,109	14,899,733	41,866,335	6,026,369	27,447,378	14,560,111	16,663,073	25,262,432
Property and equipment	15,103,969	-	-	-	148,020	147,642	615,875	1,619,906	422,758	417,995	1,552,237	1,218,067	1,641,089
Right-of-use assets	4,314,535	-	-	-	-	-	-	28,771	5,766	5,366	31,332	-	4,243,300
Intangible assets	4,097,172	-	-	-	26,730	26,060	26,005	77,918	77,766	77,295	292,933	250,896	235,241
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	26,883,337	396,819	188,332	315,145	1,647,235	463,284	918,518	1,894,161	1,357,589	1,215,907	2,022,952	3,127,787	6,815,496
	737,884,562	56,282,468	6,758,165	11,330,083	50,251,237	16,828,095	16,460,132	57,842,750	41,222,157	45,292,334	56,802,169	87,724,207	211,975,047
Liabilities													
Bills payable	13,773,529	13,773,529	-	-	-	-	-	-	-	-	-	-	-
Due to financial institutions	87,662,161	843,553	59,784,883	2,568,096	3,100,837	688,685	1,823,475	1,746,603	359,957	1,505,486	5,052,892	1,798,429	2,010,950
Deposits and other accounts	559,177,927	233,434	20,149,301	46,160,167	57,964,783	12,503,688	27,282,728	38,817,492	17,150,189	34,928,823	23,200,184	34,523,187	57,287,250
Lease liabilities	4,839,747	-	-	-	-	-	-	24,314	4,045	-	26,072	-	4,785,316
Subordinated sukuk	3,000,000	-	-	-	-	-	-	-	-	-	-	-	3,000,000
Deferred tax liabilities	1,510,000	-	-	-	-	-	-	-	1,510,000	-	-	-	-
Other liabilities	19,706,230	17,068	1,248,694	544,132	1,165,267	147,273	952,102	916,719	569,236	404,192	1,080,182	1,517,628	2,509,537
	689,669,594	14,867,584	81,182,878	49,272,395	62,230,887	13,339,646	30,058,305	41,505,128	19,593,427	36,838,501	29,359,330	37,839,244	66,593,053
Net assets	48,214,968	41,414,884	(74,424,713)	(37,942,312)	(11,979,650)	3,488,449	(13,598,173)	16,337,622	21,628,730	8,453,833	27,442,839	49,884,963	145,381,994
Share capital - net	11,007,991												
Reserves	7,166,799												
Surplus on revaluation of assets	7,387,004												
Unappropriated profit	22,653,174												
	<u>48,214,968</u>												

48.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Holding Company

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	71,821,007	71,821,007	-	-	-	-	-	-	-	
Balances with other banks	1,069,764	1,069,764	-	-	-	-	-	-	-	
Due from financial institutions	18,999,952	18,999,952	-	-	-	-	-	-	-	
Investments	321,687,104	-	-	2,113,702	81,318,280	81,035,922	91,148,153	61,322,380	-	
Islamic financing, related assets and advances	291,750,609	12,065,902	8,603,977	33,060,351	31,054,478	29,766,019	29,626,315	37,239,813	110,333,754	
Property and equipment	25,407,260	642,345	453,439	713,870	1,309,285	2,301,994	2,014,881	5,516,376	12,455,070	
Right-of-use assets	5,655,325	1,771	10,936	18,959	132,877	431,142	1,447,447	3,612,193	-	
Intangible assets	4,743,612	45,336	88,759	131,987	261,997	486,933	390,343	335,183	3,003,074	
Deferred tax assets	4,286,765	-	-	-	4,286,765	-	-	-	-	
Other assets	24,664,577	842,541	899,732	1,413,601	2,397,090	2,751,542	3,298,039	3,874,674	9,187,359	
770,085,975	105,488,618	10,056,843	37,452,470	120,760,772	116,773,552	127,925,178	111,900,619	134,979,257	4,748,667	
Liabilities										
Bills payable	9,895,158	9,895,158	-	-	-	-	-	-	-	
Due to financial institutions	14,613,108	1,915,404	1,935,851	479,824	91,379	1,702,196	2,638,217	1,399,810	4,450,427	
Deposits and other accounts	658,990,028	92,481,962	56,021,266	51,509,016	71,793,790	30,535,741	43,555,580	72,485,535	240,607,138	
Lease liabilities	6,604,095	2,786	10,862	38,389	213,406	650,340	1,768,046	3,920,266	-	
Subordinated sukuk	3,000,000	-	-	-	-	-	-	-	3,000,000	
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	
Other liabilities	28,462,093	1,759,879	1,742,233	1,320,419	1,278,902	1,747,822	2,609,637	4,154,817	13,848,384	
721,564,482	106,055,189	59,710,212	53,347,648	73,377,477	34,636,099	50,571,480	81,960,428	261,905,949	-	
Net assets	48,521,493	(566,571)	(49,653,369)	(15,895,178)	47,383,295	82,137,453	77,353,698	29,940,191	(126,926,692)	4,748,667
Share capital - net	11,007,991									
Reserves	8,367,355									
Surplus on revaluation of assets	4,306,495									
Unappropriated profit	24,839,652									
48,521,493										

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	41,093,952	41,093,952	-	-	-	-	-	-	-	
Balances with other banks	984,866	984,866	-	-	-	-	-	-	-	
Due from financial institutions	4,257,928	4,257,928	-	-	-	-	-	-	-	
Investments	345,051,553	-	-	12,355,659	49,460,302	38,342,604	66,464,383	173,777,489	3,755,471	
Islamic financing, related assets and advances	296,097,250	75,562,927	31,090,842	41,866,335	33,473,747	14,560,111	16,663,073	25,262,432	57,617,783	
Property and equipment	15,103,969	148,020	763,517	1,619,906	840,753	1,552,237	1,218,067	1,641,089	7,320,380	
Right-of-use assets	4,314,535	-	-	28,771	11,132	31,332	-	4,243,300	-	
Intangible assets	4,097,172	26,730	52,065	77,918	155,061	292,933	250,896	235,240	2,959,318	
Deferred tax assets	-	-	-	-	-	-	-	-	-	
Other assets	26,883,337	2,547,531	1,381,803	1,894,161	2,573,496	2,022,952	3,127,787	6,815,496	6,520,111	
737,884,562	124,621,954	33,288,227	57,842,749	86,514,491	56,802,169	87,724,207	211,975,046	78,173,063	942,657	
Liabilities										
Bills payable	13,773,529	13,773,529	-	-	-	-	-	-	-	
Due to financial institutions	87,662,161	66,297,369	2,512,160	1,746,603	1,865,443	5,052,892	1,798,429	2,010,950	6,378,315	
Deposits and other accounts	559,177,927	124,507,690	39,786,416	38,817,492	52,079,012	23,200,184	34,523,187	57,287,250	188,976,696	
Lease liabilities	4,839,747	-	-	24,314	4,045	26,072	-	4,785,316	-	
Subordinated sukuk	3,000,000	-	-	-	-	-	-	-	3,000,000	
Deferred tax liabilities	1,510,000	-	-	1,510,000	-	-	-	-	-	
Other liabilities	19,706,230	2,975,161	1,099,375	916,719	973,428	1,080,182	1,517,628	2,509,537	8,634,200	
689,669,594	207,553,749	43,397,951	43,015,128	54,921,928	29,359,330	37,839,244	66,593,053	206,989,211	-	
Net assets	48,214,968	(82,931,795)	(10,109,724)	14,827,621	31,592,563	27,442,839	49,884,963	145,381,993	(128,816,148)	942,657
Share capital- net	11,007,991									
Reserves	7,166,799									
Surplus on revaluation of assets	7,387,004									
Unappropriated profit	22,653,174									
48,214,968										

49 GENERAL

- 49.1** Captions, in respect of which there are no amounts, have not been reproduced in these consolidated financial statements, except for captions of the consolidated Statement of Financial Position and consolidated Profit and Loss Account.
- 49.2** These consolidated financial statements are presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency.
- 49.3** The figures in these consolidated financial statements have been rounded off to the nearest thousand rupee.
- 49.4 Event after the reporting date**

Subsequent to the year end, the Board of Directors of the Holding Company proposed a final cash dividend Rs. 1.25 per share. This is an addition to Rs. 1.5 (15%) already paid during the year, bringing the total dividend for the year Rs. 2.75 per share (2024: Rs. 2.75 per share). These consolidated financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the year end.

50 DATE OF AUTHORISATION FOR ISSUE

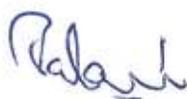
These consolidated financial statements were authorized for issue on February 18, 2026 by the Board of Directors of the Holding Company.



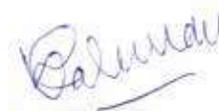
PRESIDENT /
 CHIEF EXECUTIVE
 OFFICER



CHIEF FINANCIAL
 OFFICER



CHAIRMAN



DIRECTOR



DIRECTOR

Pattern of Shareholding

As at December 31, 2025

S.No.	No. of Shareholders	Shareholdings From			Total Shares Held
1	2375	1	to	100	81,509
2	15451	101	to	500	7,079,994
3	3756	501	to	1,000	2,922,220
4	3443	1001	to	5,000	8,106,359
5	720	5001	to	10,000	5,589,013
6	753	10,001	to	50,000	16,958,120
7	120	50,001	to	100,000	8,870,192
8	97	100,001	to	500,000	21,151,355
9	20	500,001	to	1,000,000	14,318,765
10	15	1,000,001	to	5,000,000	37,938,599
11	2	5,000,001	to	7,500,000	14,023,919
12	2	7,500,001	to	125,000,000	138,851,242
13	1	125,000,001	to	832,812,012	832,812,012
Total	26755	Percentage: 100%			1,108,703,299

Category Wise List of Shareholding

As at December 31, 2025

Categories of Shareholders	Shareholders	Shares Held	Percentage
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN			
SULEMAN LALANI	1	86,263	0.01
SHAMSA SULEMAN	1	31,563	0.00
HAIDER ALI HILALY	1	31,000	0.00
SULAIMAN SADRUDDIN MEHDI	1	1,000	0.00
SYED ALI HASHAM	1	501	0.00
KALIM UR RAHMAN	1	500	0.00
AKHTAR ABBAS	1	500	0.00
SUB- TOTAL	7	151,327	0.01
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
JS BANK LIMITED.		832,812,012	75.12
ALI HUSSAIN		117,253,488	10.58
SAJ CAPITAL MANAGEMENT LTD		21,597,754	1.95
EFU GENERAL INSURANCE LIMITED		2,835,804	0.26
SUB- TOTAL	4	974,499,058	87.90
EXECUTIVES			
	2	39,467	0.00
NIT AND ICP			
	-	-	0.00
BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS			
	2	3,190	0.00
INSURANCE/TAKAFUL COMPANIES			
	2	257,835	0.02
MODARABAS AND MUTUAL FUNDS			
	9	3,126,143	0.28
GENERAL PUBLIC			
a. Local	25,826	113,355,987	10.22
b. Foreign	551	3,505,099	0.32
FOREIGN COMPANIES			
	2	634,820	0.06
OTHERS			
	350	13,130,373	1.18
Totals	26,755	1,108,703,299	100.00
SHAREHOLDERS HOLDING 5% OR MORE		Shares Held	Percentage
JS BANK LIMITED		832,812,012	75.12
ALI HUSSAIN		117,253,488	10.58

Notice of Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting (“**Meeting**”) of the Members of BankIslami Pakistan Limited (the “**Bank**”) will be held, Insha’Allah, on Friday, March 27, 2026, at 10:15 a.m. (PST) at Zaver Hall, Pearl Continental, Club Road, Karachi to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Financial Statements of the Bank and Consolidated Audited Financial Statements of the Bank for the year ended December 31, 2025 together with the Auditors’ and Directors’ Reports and Chairman’s Review thereon.
2. To appoint Auditors of the Bank for the year ending December 31, 2026 and to fix their remuneration. The term of the present auditors KPMG Taseer Hadi & Co., Chartered Accountants, shall expire at the Annual General Meeting and cannot, in compliance of the Listed Companies (Code of Corporate Governance) Regulations, 2019, be re-appointed as having completed a term of five years. The Audit Committee and the Board of Directors have both recommended the appointment of BDO Ebrahim & Co., Chartered Accountants, as external auditors for the year ending December 31, 2026, in place of the retiring auditors.
3. To consider and approve, as recommended by the Board of Directors, final cash dividend at the rate of PKR 1.25 per share i.e. 12.5% in addition to PKR 1.50 per share i.e. 15% interim cash dividend already declared/paid.

SPECIAL BUSINESS

4. To consider, and if thought fit, alter the authorized share capital of the Bank and make consequent amendments to the Memorandum of Association of the Bank by passing the following special resolutions:

“RESOLVED THAT, pursuant to Section 85 of the Companies Act, 2017 (**“Act”**) and subject to compliance with all requirements under applicable laws, the increase in the authorized share capital of the Bank from PKR 15,000,000,000/- (Pakistani Rupees Fifteen Billion only) divided into 1,500,000,000 ordinary shares of PKR 10/- (Pakistani Rupees Ten only) each, to PKR 20,000,000,000/- (Pakistani Rupees twenty Billion only) divided into 2,000,000,000 ordinary shares of PKR 10/- (Pakistani Rupees Ten only) each, be and is hereby approved.”

“FURTHER RESOLVED THAT, pursuant to Section 85 of the Act and subject to compliance with all requirements under applicable laws, including but not limited to approval of the State Bank of Pakistan (**“SBP”**) pursuant to Section 89 of the Banking Companies Ordinance, 1962, Clause V of the Memorandum of Association of the Bank be and is hereby altered to read as follows:

“The Authorized Capital of the Bank is PKR 20,000,000,000/- (Pakistani Rupees Twenty Billion only) divided into 2,000,000,000 (two billion) Ordinary shares of PKR 10/- (Pakistani Rupees Ten only) each with the powers to the Bank from time to time to increase its capital in accordance with the provisions of the Companies Act, 2017.”

“FURTHER RESOLVED THAT, the President & Chief Executive Officer, Deputy Chief Executive Officer, Chief Operations Officer, Chief Financial Officer and Company Secretary, be and are hereby authorized (any two of them acting jointly) on behalf of the Bank to fulfil all requirements of the applicable laws, including obtaining approval of the relevant departments of the SBP for the proposed amendments to the Memorandum of Association of the Bank, and filing requisite applications, declarations, forms, documents, circulars and papers with the regulators, and to take all such steps and execute such documents as may be required, necessary and/or expedient for the purpose of giving effect to the spirit and intent of the above resolutions.”

A statement of material facts prescribed by Section 134(3) of Companies Act, 2017 pertaining to special business to be transacted at the Annual General Meeting is appended along with this notice

Dated: March 06, 2026

By order of the Board

-sd-

Hasan Shahid
Company Secretary

For Financial Statement scan here:



STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed as an integral part of notice of Annual General Meeting of shareholders of BankIslami Pakistan Limited (“Bank”) to be held on Friday, March 27, 2026, at 10:15 a.m. (PST) at Zaver Hall, Pearl Continental, Club Road, Karachi, and sets out material facts concerning special business to be transacted at the meeting.

1. **Agenda Item No. 4 – Approval for increase in authorized share capital of the Bank**

Reasons for alteration in authorized share capital

With a view to strengthening the regulatory capital base of the Bank to support the Bank’s growth plans, it is proposed to increase the authorized capital of the Bank from PKR 15 billion to PKR 20 billion. Total increase in authorized capital will be PKR 5 billion (Five Hundred million ordinary shares of PKR 10/- each). No right or interest of any member shall be jeopardized or negatively impacted as a consequence of the proposed increase in authorized capital.

Existing authorized share capital

The existing authorized share capital of the Bank is PKR 15,000,000,000/- (Pakistani Rupees Fifteen Billion only) divided into 1,500,000,000 ordinary shares of PKR 10/- (Pakistani Rupees Ten only) each.

Amount with which authorized share capital is proposed to be increased

The authorized share capital is proposed to be increased to PKR 20,000,000,000/- (Pakistani Rupees Twenty Billion only) divided into 2,000,000,000 ordinary shares of PKR 10/- (Pakistani Rupees Ten only) each.

No Material Interests of Directors

None of the directors or their relatives have any material interest, directly or indirectly, in the proposed resolutions except as shareholders of the Bank.

Notes:

1. The Members’ Register will remain closed from March 18, 2026 to March 27, 2026 (both days inclusive).
2. A member eligible to attend and vote at this meeting may appoint a proxy to attend and vote in the meeting.
3. Proxies in order to be effective must be received at the registered office of the Bank not less than 48 hours before the time of the meeting.
4. In compliance with SECP SRO S.R.O.452(I)/2025 dated March 17, 2025, the notice of the Annual General Meeting is sent to the members, who have provided their email addresses.
5. Central Depository Company of Pakistan Limited (“CDC”) Account holders will further have to follow the under-mentioned guidelines as laid down by Circular No. 01, dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan:

For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (“CNIC”) or original passport at the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.
 - iii. Attested copy of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his/her original CNIC or passport at the time of the meeting.
 - v. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form of the Bank.
6. Members having physical shares are requested to promptly notify CDC Share Registrar Services Limited, CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 or respective CDC participant/Broker/ Investor Account Service in case of CDC account holders for any change in their address.

7. Transmission of Annual Audited Financial Statements

In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Bank have been uploaded on the website of the Bank which can be downloaded from the following web-link:-

<https://bankislami.com.pk/BankIslami-Annual-Report-2025.pdf>

The Bank has also circulated the annual financial statements through email to shareholders in case email addresses are provided by the shareholders to the Bank. Further, a shareholder may request to the Company Secretary at the Registered Office of the Bank located at 11th Floor, Executive Towers, Dolmen City, Marine Drive, Block-4, Clifton, Karachi to provide hard copy of Annual Audited Financial Statements and the same will be provided at his/her registered address, free of cost, within one week of the demand. In this regard, a ‘Request Form’ has been placed on website of the Bank for shareholders to communicate the need of hard copies of the Annual Audited Financial Statements.

8. Conversion of physical share certificate in book entry form and to collect unclaimed physical shares

With reference to the provisions of Section 72 of the Companies Act, 2017, Securities and Exchange Commission of Pakistan, through its letter No. CSD/ED/MISC/2016-639-640 dated March 26, 2021, has required listed companies to replace the existing physical shares issued by them into Book Entry Form. In compliance with regulatory requirement, shareholders of BankIslami Pakistan Limited holding physical share certificates are requested to convert their physical share certificates into Book Entry Form.

Further, shareholders who have not yet collected their unclaimed physical share certificates are requested to collect from Bank’s Share Registrar and also convert the certificate(s) in book entry form in compliance to regulatory requirement. Shareholders of Bank may contact their Broker (a PSX member), CDC Participant or CDC Investor Account Services Department of Central Depository Company of Pakistan Limited for assistance in opening CDC Account. The said conversion will benefit to shareholders i.e. readily available share(s) for sale and purchase at better rates; instant credit of entitlements (bonus shares and rights shares); and eliminate the risk of loss of shares, etc.

9. Un-claimed 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 of it is due and payable.

10. International Bank Account Number (IBAN) of shareholders for dividend mandate

Section 242 of the Companies Act 2017 requires that the listed companies shall pay cash dividend only through electronic mode directly into the bank account designated by the shareholders. SECP vide its notification SRO 1145 (I)/2017 has also issued the Companies (Distribution of Dividends) Regulations, 2017 whereby every shareholder shall be responsible to provide valid information pertaining to its designated bank account to disburse any dividend payable in cash only through electronic mode directly into the bank account designated by the entitled shareholders.

In this regard, the Bank has already communicated through its letters addressed to the shareholders individually along with newspapers publications requesting to provide the International Bank Account Number (“IBAN”) designated by the shareholders to receive the cash dividends electronically. Hence, shareholders who have not yet provided such information are requested to fill the required fields of Bank’s letter available on website of the Bank: www.bankislami.com.pk and send the same to the Share Registrar and Transfer Agent of the Bank. In case of shares held as book-entry securities, the said information would be required to be provided to Central Depository System (“CDS”) through CDS Participants.

11. Mandatory information required from Shareholders

According to Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, shareholders are advised to provide their mandatory details (CNIC, address, phone number, IBAN, etc.) to ensure compliance and avoid future issues:

- Physical shareholding: Information should be submitted to the Bank’s Share Registrar at the below address.
- Shares under Central Depository System (CDS): Information should be provided to the relevant CDC Investor Account Services / CDC Participant / Stock brokers.

CDC Share Registrar Services Limited, CDC House, 99-B, Block ‘B’, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400. Tel. Toll Free 0800-23275, Email: info@cdcsrsl.com, website: www.cdcsrsl.com.

12. Tax implication on Dividend

Section 150 of the Income Tax Ordinance, 2001 prescribes different rates (for tax return filers and non-filers) for deduction of withholding tax on the amount of dividend paid by the companies / banks.

The shareholders are advised to ensure that their names are entered into Active Taxpayers List of the Federal Board of Revenue, before the book closure date for cash dividend; otherwise, tax on their cash dividend will be deducted as non-filer.

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 the Bank’s Shares Registrar, in writing as follows:

Folio number / CDS Account number	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (number of Shares)	Name and CNIC No.	Shareholding Proportion (number of Shares)

The required information must reach to Bank's Shares Registrar by the close of business (5:00 p.m.) on March 17, 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.

13. 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 17, 2026, to Bank's Share 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.

14. Zakat Declaration (CZ-50)

Zakat will be deducted from the dividends at source at the rate of 2.5 % of the paid-up value of the share (Rs. 10/- each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981. Shareholder who holds Bank's shares in physical, please deposit their Zakat Declaration on Form CZ-50 with Bank's Share Registrar with mentioning Folio No and Name. Shareholder who holds shares in book entry shall deposit their Zakat declaration on Form CZ-50 with CDC Investor Account Services / CDC Participant / Stock brokers with mentioning CDS Account No. and name of shareholder.

15. Consent for Video Conference Facility

For this Annual General Meeting, under following conditions, Members can also avail video conference facility:

- Upon request from member(s) holding at least 10% of the paid-up capital, residing in a specified city, video conferencing will be arranged on demand, provided the request is made at least seven days before the meeting date.
- Only members or proxies can attend via video link and will maintain the meeting's integrity.

In this regard, members who wish to participate through video conference facility should send a duly signed request as per following format to the registered address of the Bank at least 10 days before the date of general meeting:

Request for Video Conference Facility

I/We, _____ of _____, being a member of BankIslami Pakistan Limited, holder of _____ Ordinary Share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____.

Signature of Member

16. To attend general meeting through video-conferencing facility

In line with the direction issued to listed companies by the Securities and Exchange Commission of Pakistan, vide its Circular No. 4 dated February 15, 2021 and Circular No. 6 dated March 03, 2021, the members / proxy holders who wish to attend the annual general meeting via video link facility, are requested to register themselves.

To attend the meeting through video-conferencing facility, the Members are requested to register themselves by providing the following information through email ID: agm@bipl.io at least forty-eight (48) hours before the meeting.

Name of shareholder	CNIC/NTN No.	Folio No/ CDC	Cell Number	Email Address

Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Bank via email. The login facility will remain open from 10:00 A.M (PST) till the end of the annual general meeting.

17. Conduct of Shareholders in the meeting

Shareholders are requested to observe the conduct referred to in sub-regulation 2 of Regulation 55 of the Companies Regulations 2024 while attending the annual general meeting.

18. Postal Ballot/E-Voting

Pursuant to the Companies (Postal Ballot) Regulations, 2018, shareholders will be allowed to exercise their right of vote through postal ballot i.e. voting by post or through e-voting, in the manner and subject to the requirements and conditions contained in said regulations. The form of the postal ballot has been appended to this notice.

Details for how to vote through electronic voting or voting through postal ballot are given below:

(i) E-voting

The Bank's e-voting service provider, CDC Share Registrar Services Limited, will, in accordance with the Postal Ballot Regulations, send to shareholders all requisite information (including, without limitation, the web address, login credentials/password, date/time for casting e-votes and other necessary details) through e-mail, and a security code through SMS, on the shareholders' registered contact details as available in the Register of Members. Shareholders wishing to cast their votes electronically shall be authenticated through electronic signature and/or secure login authentication. The e-voting facility shall remain available from March 24, 2026 at 09:00 a.m. to March 26, 2026 at 05:00 p.m.

(ii) Voting through Postal Ballot:

Shareholders shall ensure that the duly completed and signed ballot paper (in the enclosed format, also available on the Bank's website), along with the requisite documents, reaches the Chairman either through post/courier at 11th Floor, Executive Towers, Dolmen City, Marine Drive, Block-4, Clifton, Karachi, Pakistan, or by e-mail at chairman@bipl.io, no later than 05:00 p.m. on March 26, 2026.

رابطہ تفصیلات پر ارسال کرے گا۔ جو شیئرز ہولڈرز الیکٹرانک طریقے سے ووٹ ڈالنا چاہتے ہوں گے، اُن کی توثیق الیکٹرانک دستخط اور/یا محفوظ لاگ ان تصدیق کے ذریعے کی جائے گی۔ ای ووٹنگ کی سہولت 24 مارچ 2026 بوقت صبح 9:00 بجے سے 26 مارچ 2026 بوقت شام 5:00 بجے تک دستیاب رہے گی۔

(ii) پوسٹل بیلٹ کے ذریعے ووٹنگ

شیئرز ہولڈرز اس بات کو یقینی بنائیں کہ مکمل اور دستخط شدہ بیلٹ پیپر (منسلک منار میرٹ میں، جو بینک کی ویب سائٹ پر بھی دستیاب ہے)، مطلوب دستاویزات کے ہمراہ، 26 مارچ 2026 بوقت شام 5:00 بجے تک چیئرمین کو بذریعہ ڈاک / کوریئر 11 ویں منزل، ایگزیکٹو ٹاورز، ڈولمین سٹی، میرین ڈرائیو، بلاک-4، گلشن، کراچی، پاکستان پر موصول ہو جائے، یا ای میل کے ذریعے chairman@bipl.io پر ارسال کر دیا جائے۔

ویڈیو کانفرنس سہولت کے لیے درخواست

میں / ہم، کا _____، بینک اسلامی پاکستان لمیٹڈ کا ممبر ہونے کے ناطے، رجسٹرڈ فوٹیو نمبر _____ کے مطابق _____ عام شیئرز کا حاصل، پر ویڈیو کانفرنس کی سہولت کا انتخاب کرتا ہوں۔

ممبر کے دستخط

16. ویڈیو کانفرنسنگ کی سہولت کے ذریعے عام اجلاس میں شرکت کرنا

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے لسٹڈ کمپنیوں کو جاری کردہ ہدایت کے مطابق، اس کے سرکلر نمبر 4 مورحہ 15 جنوری 2021 اور سرکلر نمبر 6 مورحہ 03 مارچ 2021 کے ذریعے، اراکین / پراکسی ہولڈرز جو ویڈیو لنک کی سہولت کے ذریعے سالانہ عام اجلاس میں شرکت کرنا چاہتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ خود کو رجسٹر کروائیں۔

ویڈیو کانفرنسنگ کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کے لیے ممبران سے درخواست کی جاتی ہے کہ وہ ای میل آئی ڈی agm@bipl.io کے ذریعے اجلاس سے کم از کم اڑتالیس (48) گھنٹے پہلے درج ذیل معلومات فراہم کر کے اپنے آپ کو رجسٹر کریں:-

شیئرز ہولڈر کا نام	کمپیوٹرائزڈ قومی شناختی کارڈ / نیشنل ٹیکس نمبر	فوٹیو / سی ڈی سی اکاؤنٹ نمبر	موبائل نمبر	ای میل ایڈریس

ممبران کو مندرجہ بالا ضرورت کے مطابق ضروری تصدیق کے بعد رجسٹر کیا جائے گا اور بینک کی طرف سے ای میل کے ذریعے ایک ویڈیو لنک فراہم کیا جائے گا۔ لاگ ان کی سہولت 10:00 a.m. سے اجلاس کے اختتام تک کھلی رہے گی۔

17. سالانہ عام اجلاس میں شیئرز ہولڈرز کا طرز عمل

شیئرز ہولڈرز سے درخواست ہے کہ وہ سالانہ عام اجلاس عام میں شرکت کے دوران کمپنیز ریگولیشنز، 2024 کے ضابطہ 55 کی ذیلی دفعہ 2 میں مذکورہ طریقہ کار کو اپنائیں۔

18. پوسٹل بیلٹ / ای ووٹنگ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق، شیئرز ہولڈرز کو یہ حق حاصل ہوگا کہ وہ اپنا ووٹ پوسٹل بیلٹ کے ذریعے یعنی بذریعہ ڈاک ووٹنگ یا ای ووٹنگ کے لئے استعمال کریں، جو کہ مذکورہ ریگولیشنز میں درج طریقہ کار، شرائط و ضوابط کے مطابق ہے۔ پوسٹل بیلٹ کا فارم اس نوٹس کے ساتھ منسلک کیا گیا ہے۔

ایکٹرائٹک ووٹنگ یا پوسٹل بیلٹ کے ذریعے ووٹ دینے کے طریقہ کار کی تفصیلات ذیل میں درج ہیں:

(i) ای ووٹنگ

بینک کا ای ووٹنگ سروس فراہم کنندہ، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، پوسٹل بیلٹ ریگولیشنز کے مطابق، شیئرز ہولڈرز کو تمام درکار معلومات (بشمول ویب ایڈریس، لاگ ان کی تفصیلات / پاس ورڈ، ای ووٹ کاسٹ کرنے کی تاریخ و وقت اور دیگر ضروری تفصیلات) ای میل کے ذریعے، جبکہ سیکیورٹی کوڈ ایس ایم ایس کے ذریعے، اُن کے رجسٹر آف ممبرز میں درج رجسٹرڈ

مشترکہ شیئرز ہولڈنگ پر ٹیکس

تمام شیئرز ہولڈرز جو مشترکہ طور پر شیئرز رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ پرنسپل شیئرز ہولڈر اور جوائنٹ ہولڈرز کے شیئرز ہولڈنگ کا تناسب بینک کے شیئرز جسٹرار کو تحریری طور پر مندرجہ ذیل کریں:

جوائنٹ شیئرز ہولڈر		پرنسپل شیئرز ہولڈر		کل حصص	فولیو نمبر / سی ڈی ایس اکاؤنٹ نمبر
نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر (حصص کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر (حصص کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر (حصص کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر (حصص کی تعداد)		
شیئرز ہولڈنگ تناسب (حصص کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	شیئرز ہولڈنگ تناسب (حصص کی تعداد)	نام اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر		

مطلوبہ معلومات 17 مارچ 2026 کو کاروباری اوقات کے اختتام (شام 5:00 بجے) تک بینک کے شیئرز جسٹرار کو موصول ہو جانے چاہیے، بصورت دیگر یہ تصور کیا جائے گا کہ حصص پرنسپل شیئرز ہولڈر اور جوائنٹ ہولڈرز کے درمیان مساوی طور پر رکھے گئے ہیں، اور فیڈرل بورڈ آف ریونیو (FBR) کی وضاحتی خط نمبر I(54)Exp/2014-132872-R مورخہ 25 ستمبر 2014 کے مطابق ہر شیئرز ہولڈر کی متناسب ملکیت کے لحاظ سے ٹیکس کی کوٹنی کی جائے گی۔

13. ٹیکس استثنیٰ کا سرٹیفکیٹ

انکم ٹیکس آرڈیننس، 2001 کے دوسرے شیڈول کے حصہ 4 کی شق 47(B) کے تحت ٹیکس استثنیٰ کا دعویٰ کرنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ انکم ٹیکس آرڈیننس، 2001 کے سیکشن 159(1) کے تحت 17 مارچ 2025 تک ایک درست استثنیٰ کا سرٹیفکیٹ مندرجہ ذیل جیسا کہ FBR کے وضاحتی خط نمبر I(43)D.G.(W.H.T.)/2008-Vol.II-66417-R مورخہ 12 مئی 2015 میں طلب کیا گیا ہے۔

14. زکوٰۃ ڈیکلریشن (CZ-50)

حصص کی ادا شدہ قیمت (دس روپے فی شیئر) پر 2.5% کی شرح سے منبج پر حاصل ہونے والے منافع سے زکوٰۃ کاٹی جائے گی اور مقررہ مدت کے اندر متعلقہ اہتداری کے پاس جمع کرائی جائے گی۔ استثنیٰ کا دعویٰ کرنے کی صورت میں، براہ کرم زکوٰۃ اور عشر آرڈیننس، 1980 اور زکوٰۃ (کوٹنی اور رستم کی واپسی) ضوابط، 1981 کے قاعدہ 4 کے تحت اپنے زکوٰۃ کے ڈیکلریشن جمع کرائیں۔ جس شیئرز ہولڈر کے پاس بک انشوری میں حصص ہیں وہ اپنی زکوٰۃ ڈیکلریشن فارم CZ-50 پر سی ڈی ایس انویسٹری اکاؤنٹ سروسز / سی ڈی ایس پیارٹنیشن / اسٹاک بروکرز کے پاس جمع کرائیں گے جس میں سی ڈی ایس اکاؤنٹ نمبر اور شیئرز ہولڈر کا نام درج ہوگا۔

15. ویڈیو کانفرنس کی سہولت کے لیے رضامندی

- اس سالانہ عام اجلاس کے لیے، درج ذیل شرائط کے تحت، ممبران ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں:
- کسی مخصوص شہر میں رہائش پذیر، ادا شدہ سرمائے کم از کم 10 لاکھ روپے والے ممبران کی درخواست پر، ویڈیو کانفرنسنگ کا اہتمام کیا جائے گا، بشرطیکہ یہ درخواست اجلاس کی تاریخ سے کم از کم سات دن پہلے کی گئی ہو۔
 - صرف ممبران یا پراکسی ویڈیو لنک کے ذریعے شرکت کر سکتے ہیں اور اجلاس کی سالمیت کو برقرار رکھیں گے۔
 - اس سلسلے میں، جو ممبران ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کرنا چاہتے ہیں، وہ مندرجہ ذیل فارمیٹ کے مطابق ایک باقاعدہ دستخط شدہ درخواست عام اجلاس کی تاریخ سے کم از کم 10 دن پہلے بینک کے رجسٹریٹر پر بھیجیں۔

10. ڈیویڈنڈ میٹریٹ کے لیے شیئرز ہولڈرز کا انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN)

کمپنیز ایکٹ 2017 کے سیکشن 242 کے مطابق لسٹڈ کمپنیاں صرف الیکٹرانک موڈ کے ذریعے براہ راست شیئرز ہولڈرز کے نامزد کردہ اکاؤنٹ میں نقد ڈیویڈنڈ ادا کریں۔ ایس ای سی پی نے اپنے نوٹیفیکیشن SRO 1145 (D)/2017 کے ذریعے کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز 2017 بھی جاری کیا ہے جس کے تحت ہر شیئرز ہولڈر اپنے نامزد بینک اکاؤنٹ سے متعلق درست معلومات فراہم کرنے کا پابند ہو گا تاکہ کسی بھی قابل ادا ڈیویڈنڈ کو نقد رقم میں صرف الیکٹرانک موڈ کے ذریعے مجاز شیئرز ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں براہ راست ادا کیا جاسکے۔

اس سلسلے میں، بینک نے پہلے ہی حصص یافتگان کو انفرادی طور پر لکھے گئے خطوط کے ساتھ اخبارات کی اشاعتوں کے ذریعے آگاہ کیا ہے جس میں حصص یافتگان کی طرف سے متعین کردہ انٹرنیشنل بینک اکاؤنٹ نمبر ("IBAN") فراہم کرنے کی درخواست کی گئی ہے تاکہ وہ الیکٹرانک طریقے سے نقد منافع وصول کر سکیں۔ اس لیے جن شیئرز ہولڈرز نے ابھی تک ایسی معلومات فراہم نہیں کی ہیں ان سے درخواست کی جاتی ہے کہ بینک کی ویب سائٹ www.bankislami.com.pk پر دستیاب بینک کے خط میں درکار معلومات فراہم کریں اور اسے بینک کے شیئرز رجسٹرار اور ٹرانسفر ایجنٹ کو بھیج دیں۔ اگر حصص بک انٹرنیٹ سیکورٹیز کی صورت میں رکھے گئے ہوں تو مذکورہ معلومات سینٹرل ڈیپازٹری سسٹم (سی ڈی ایس) کو سی ڈی ایس پارٹنیشنس کے ذریعے فراہم کرنا لازم ہوگا۔

11. شیئرز ہولڈرز سے درکار لازمی معلومات

کمپنیز ایکٹ، 2017 کے سیکشن 119، اور کمپنیز ریگولیشنز، 2024 کے ضابطہ 47 کے مطابق، حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ تعمیل کو یقینی بنانے اور مستقبل کے مسائل سے بچنے کے لیے اپنی لازمی تفصیلات (کمپیوٹرائزڈ قومی شناختی کارڈ، پتہ، فون نمبر، IBAN، وغیرہ) فراہم کریں:

- منزیکل شیئرز ہولڈنگ: معلومات ذیل کے پتے پر بینک کے شیئرز رجسٹرار کو جمع کرائی جانی چاہیے۔
- سینٹرل ڈیپازٹری سسٹم (سی ڈی ایس) کے تحت حصص: متعلقہ سی ڈی ایس انوسٹر اکاؤنٹ سروسز / سی ڈی ایس پارٹنیشنس / اسٹاک بروکرز کو معلومات فراہم کی جائیں۔

سی ڈی ایس شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی ایس ہاؤس، 99-بی، بلاک 'بی'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400۔ ٹیلی فون ٹول فری 0800-23275، ای میل: info@cdcsrsl.com، ویب سائٹ: www.cdcsrsl.com۔

12. ڈیویڈنڈ پریکٹس کا اطلاق

انکم ٹیکس آرڈیننس، 2001 کا سیکشن 150 کمپنوں / بینکوں کی طرف سے ادا کردہ ڈیویڈنڈ کی رقم پر وہ ہولڈنگ ٹیکس کی کوٹھی کے لیے مختلف شرحیں (ٹیکس ریٹرن فائلرز اور نان فائلرز کے لیے) تجویز کی گئی ہیں۔

شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے نام فیڈرل بورڈ آف ریونیو کی ایکٹو ٹیکس پیسز رولٹ میں، نقد ڈیویڈنڈ کے لیے بک بند ہونے کی تاریخ سے پہلے رجسٹرڈ ہو جائیں۔ بصورت دیگر، ان کے کیس ڈیویڈنڈ پریکٹس نان فائلرز کے طور پر کاٹا جائے گا۔

6. جن ممبران کے پاس کاغذی شکل میں شیئرز ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں کسی بھی تبدیلی کے بارے میں فوری طور پر سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-بی، بلاک 'بی'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400 کو یا سی ڈی ایس اکاؤنٹ ہولڈرز اپنے پتے میں کسی تبدیلی کے لیے اپنے متعلقہ سی ڈی سی پارٹنیشنٹ / بروکر / انویسٹر اکاؤنٹ سروسز کو مطلع کریں گے۔

7. سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل

کمپنیز ایکٹ 2017 کے سیکشن 223 کے مطابق اور S.R.O کے مطابق 2023/389 (I) مورحہ 21 مارچ 2023، بینک کے مالیاتی بیانات بینک کی ویب سائٹ پر اپ لوڈ کیے گئے ہیں جنہیں درج ذیل ویب لنک سے ڈاؤن لوڈ کیا جاسکتا ہے:-

<https://bankislami.com.pk/BankIslami-Annual-Report-2025.pdf>

بینک نے سالانہ مالیاتی گوشواروں کو ای میل کے ذریعے بھی شیئرز ہولڈرز کو بھیج دیا ہے جن حصص یافتگان کی جانب سے بینک کو ای میل ایڈریس مندرجہ ذیل ہے۔ مزید برآں، کوئی بھی شیئرز ہولڈر، 11 ویں منزل، ایگزیکٹو ٹاورز، ڈولسین سٹی، میرین ڈرائیو، بلاک-4، کلفٹن، کراچی میں واقع بینک کے رجسٹرڈ آفس میں کمپنی سیکریٹری سے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپی مندرجہ ذیل کے درخواست کرنے کی درخواست کر سکتا ہے جو اسے ایک ہفتے کے اندر اندر اس کے رجسٹرڈ ایڈریس پر مفت مندرجہ ذیل کے بجائے گی۔ اس سلسلے میں، ایک 'درخواست منام بینک' کی ویب سائٹ پر شیئرز ہولڈرز کے لیے رکھا گیا ہے تاکہ وہ سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپی کی ضرورت سے آگاہ کر سکیں۔

8. بک انشوری منام میں منزیکل شیئرز سرٹیفکیٹ کی تبدیلی اور غنیر دعویٰ شدہ منزیکل شیئرز کو حاصل کرنا

کمپنیز ایکٹ، 2017 کے سیکشن 72 کی دفعات کے حوالے سے، پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن نے اپنے خط نمبر CSD/ED/MISC/2016-639-640 مورحہ 26 مارچ 2021 کے ذریعے، لسٹڈ کمپنیوں سے مطالب کیا ہے کہ وہ اپنے جاری کردہ موجودہ منزیکل شیئرز کو بک انشوری منام میں تبدیل کروائیں۔ ریگولیٹری تقاضوں کی تعمیل میں، بینک اسلامی پاکستان لمیٹڈ کے منزیکل شیئرز سرٹیفکیٹس رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے منزیکل شیئرز سرٹیفکیٹس کو بک انشوری منام میں تبدیل کروائیں۔

مزید برآں، جن شیئرز ہولڈرز نے ابھی تک اپنے غنیر دعویٰ شدہ منزیکل شیئرز سرٹیفکیٹ حاصل نہیں کیے ہیں ان سے درخواست کی جاتی ہے کہ وہ بینک کے شیئرز رجسٹرار سے وصول کریں اور ریگولیٹری تقاضے کی تعمیل میں سرٹیفکیٹ کو بک انشوری منام میں بھی تبدیل کریں۔ بینک کے شیئرز ہولڈرز سی ڈی سی اکاؤنٹ کھولنے میں مدد کے لیے اپنے بروکر (پی ایس ایکس ممبر)، سی ڈی سی پارٹنیشنٹ یا سینٹرل ڈپازیشنری کمپنی آف پاکستان لمیٹڈ کے سی ڈی سی انویسٹر اکاؤنٹ سروسز ڈیپارٹمنٹ سے رابطہ کر سکتے ہیں۔ مذکورہ تبدیلی سے حصص یافتگان کو فائدہ پہنچے گا یعنی حصص بہتر نرخوں پر فروخت اور خریداری کے لیے آسانی دستیاب ہوں گے، حقداروں کا فوری کریڈٹ (بونس شیئرز اور رائٹس شیئرز)، حصص کے نقصان کے خطرے کو ختم کریں گے، وغیرہ۔

9. غنیر دعویٰ شدہ منافع / حصص

شیئرز ہولڈرز کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 244 اور غنیر دعویٰ شدہ حصص، مضارب سرٹیفکیٹس، ڈیویڈنڈ، دیگر انٹرمسٹس اور غنیر تقسیم شدہ اثاثہ حبات کے ضوابط، 2017 کے مطابق کمپنیوں کو وہ نقد ڈیویڈنڈ و منافی حکومت کے کریڈٹ میں اور وہ حصص کمیشن کو جمع کرانا لازمی ہے جو ادائیگی کی تاریخ سے تین (3) سال یا اس سے زیادہ مدت کے لئے غنیر دعویٰ شدہ ہوں گے۔

نوٹس:

1. ممبران کار جسٹر 18 مارچ 2026 سے 27 مارچ 2026 (شمول دونوں ایام) تک بند رہے گا
2. اس اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر اجلاس میں شرکت اور ووٹ دینے کے لیے پراکسی مقرر کر سکتا ہے۔
3. مؤثر ہونے کے لیے پراکسی کو اجلاس کے وقت سے کم از کم 48 گھنٹے پہلے بینک کے رجسٹرڈ آفس میں موصول ہونا چاہیے۔
4. سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے S.R.O.452(I)/2025 مورخہ 17 مارچ 2025 کے مطابق، سالانہ عمومی اجلاس کا نوٹس ان اراکین کو بھیجا گیا ہے جنہوں نے اپنے ای میل ایڈریس مندرجہ ذیل پر فراہم کیے ہیں۔
5. سنٹرل ڈپازیشنری کمپنی آف پاکستان لمیٹڈ ("سی ڈی سی") اکاؤنٹ ہولڈرز کو مزید مندرجہ ذیل ہدایات پر عمل کرنا ہوگا جیسا کہ سرکلر نمبر 01، مورخہ 26 جنوری 2000، پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن کے ذریعہ بیان کیا گیا ہے:

اجلاس میں شرکت کے لیے:

- i. امیراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں حاضر ہونے کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرے گا۔
- ii. کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی مترادداد / اٹارنی نامزد کے نمونے کے دستخط کے ساتھ پیش کی جائے گی (اگر یہ پہلے مندرجہ ذیل بیان کیا گیا ہو)۔

پراکسیوں کی تقرری کے لیے:

- i. امیراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی کے ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا ضرورت کے مطابق پراکسی منارم جمع کرائیں گے۔
- ii. پراکسی منارم پر دو امیراد کو اپنی دیں گے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر منارم پر درج ہوں گے۔
- iii. سینٹیشل اونز کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی منارم کے ساتھ پیش کی جائے گی۔
- iv. پراکسی اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرے گا۔
- v. کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی مترادداد / پاور آف اٹارنی نمونہ دستخط کے ساتھ بینک کے پراکسی منارم کے ساتھ جمع کرایا جائے گا۔

کمپنیز ایکٹ 2017ء کی دفعہ 134(3) کے تحت اہم حقائق کا بیان

یہ بیان بینک اسلامی پاکستان لمیٹڈ ("بینک") کے حصص یافتگان کے سالانہ جنرل اجلاس کے نوٹس کا لازمی حصہ ہے، جو بروز جمعہ، 27 مارچ 2026ء بوقت صبح 10:15 بجے مقام زیورہال، پرل کانسٹیبل، کلب روڈ، کراچی میں منعقد ہوگا، اور اس اجلاس میں زیر غور آنے والے خصوصی امور سے متعلق اہم حقائق بیان کرتا ہے۔

1. ایجنڈا آئٹم نمبر 4- کمپنی کے محاز شیئر کمیٹی میں اضافے کی منظوری

محاز شیئر کمیٹی میں ترمیم کی وجوہات

بینک کے ترقیاتی منصوبوں کی معاونت کے لیے اس کے ریگولیٹری کمیٹی کی بنیاد کو مضبوط بنانے کے پیش نظر، یہ تجویز کیا جاتا ہے کہ بینک کے محاز کمیٹی کو 15 ارب روپے سے بڑھا کر 20 ارب روپے کر دیا جائے۔ محاز کمیٹی میں کل اضافہ 5 ارب روپے ہوگا (10 روپے فی شیئر کے حساب سے 500 ملین عام شیئرز)۔ محاز کمیٹی میں مجوزہ اضافے کے نتیجے میں کسی بھی ممبر کے کسی حق یا مفاد کو نہ تو خطرہ لاحق ہوگا اور نہ ہی اس پر کوئی منفی اثر پڑے گا۔

موجودہ محاز شیئر کمیٹی

بینک کا موجودہ محاز شیئر کمیٹی 15,000,000,000 روپے (پندرہ ارب روپے) ہے، جو 10 روپے (دس روپے) فی شیئر کے حساب سے 1,500,000,000 عام شیئرز پر مشتمل ہے۔

محاز شیئر کمیٹی میں مجوزہ اضافہ

محاز شیئر کمیٹی کو بڑھا کر 20,000,000,000 روپے (بیس ارب روپے) کرنے کی تجویز ہے، جو 10 روپے (دس روپے) فی شیئر کے حساب سے 2,000,000,000 عام شیئرز پر مشتمل ہوگا۔

ڈائریکٹرز کے کوئی اہم مفادات نہیں

مجوزہ مفادوں میں کسی بھی ڈائریکٹر یا ان کے رشتہ داروں کا، بطور بینک کے شیئر ہولڈر ہونے کے علاوہ، براہ راست یا بالواسطہ کوئی اہم مفاد شامل نہیں ہے۔

”مزید یہ طے کیا گیا ہے کہ صدر و چیف ایگزیکٹو آفیسر، ڈپٹی چیف ایگزیکٹو آفیسر، چیف آپریشنز آفیسر، چیف فنانشل آفیسر اور کمپنی سیکریٹری (ان میں سے کوئی بھی دو مشترکہ طور پر) بینک کی جانب سے متبادل اطلاق قوانین کی تمام ضروریات پوری کرنے، بشمول اسٹیٹ بینک آف پاکستان کے متعلقہ شعبہ حبات سے مجوزہ ترامیم کی منظوری حاصل کرنے، اور ریگولیٹرز کے پاس درکار درخواستیں، اعلانات، فارمz، دستاویزات، سرکلرز اور دیگر کاغذات جمع کرانے، نیز ان مترا دادوں کے مقصد اور منشا کو عملی حباب پہننے کے لیے تمام ضروری اقدامات کرنے اور دستاویزات پر دستخط کرنے کے محاز ہوں گے۔

کمپنیز ایکٹ 2017ء کی دفعہ 134(3) کے تحت خصوصی امور سے متعلق ضروری حقائق پر مشتمل بیان، جو سالانہ جنرل اجلاس میں پیش کیا جائے گا، اس نوٹس کے ساتھ منسلک ہے۔

بذریعہ حکم بورڈ

حسن شاہد
کمپنی سیکریٹری

مورحہ: 6 مارچ 2026ء

کراچی



سالانہ اجلاس عام کانوٹس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ بینک اسلامی پاکستان لمیٹڈ ("بینک") کے ممبران کا بائیسواں سالانہ اجلاس عام انشا اللہ جمعہ 27 مارچ 2026ء کو صبح 10:15 بجے، زیورہال، پرل کانٹینیٹنٹل، گلبر روڈ، کراچی میں مندرجہ ذیل کاروباری امور کے لیے منعقد ہوگا۔

عمومی امور

1. بینک کے 31 دسمبر 2025ء کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی گوشواروں اور سالانہ کیجبا آڈٹ شدہ مالیاتی گوشواروں، بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹس اور چیئرمین کی جائزہ رپورٹ کی وصولی، ان پر غور و خوض اور منظوری۔
2. 31 دسمبر 2026ء کو ختم ہونے والے سال کے لیے بینک کے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز KPMG تاشیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی مدت سالانہ اجلاس عام پر ختم ہو رہی ہے اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کی تعمیل میں پانچ سالہ مدت مکمل ہونے کے باعث انہیں دوبارہ مقرر نہیں کیا جاسکتا۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے متفقہ طور پر میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2026ء کو ختم ہونے والے سال کے لیے آڈیٹرز مقرر کرنے کی سفارش کی ہے۔
3. بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، حتمی نقد منافع (فائنل کیسٹ ڈیویڈنڈ) 1.25 روپے فی شیئر یعنی 12.5% کی شرح سے منظور کرنا، جو پہلے سے اعلان / ادا شدہ عبوری نقد منافع 1.50 روپے فی شیئر یعنی 15% کے علاوہ ہے۔

خصوصی امور

4. اگر مناسب سمجھا جائے، تو بینک کے مجاز شیئر کمیٹیٹل میں رد و بدل اور اس کے نتیجے میں بینک کے میمورنڈم آف ایسوسی ایشن میں ترمیم کی بذریعہ ذیل خصوصی فتورادوں کی منظوری:
- "یہ طے کیا گیا ہے کہ، کمپنیز ایکٹ 2017ء ("ایکٹ") کی دفعہ 85 کے مطابق اور متاثرہ اطلاق قوانین کے تحت تمام تقاضوں کی تکمیل سے مشروط، بینک کے مجاز شیئر کمیٹیٹل میں اضافہ، جو کہ 15,000,000,000 روپے (پندرہ ارب روپے) ہتھ اور جو 10 روپے (دس روپے) فی شیئر کے حساب سے 1,500,000,000 عام شیئرز پر مشتمل ہتھ، کو بڑھا کر 20,000,000,000 روپے (بیس ارب روپے) کیا جائے جو 10 روپے (دس روپے) فی شیئر کے حساب سے 2,000,000,000 عام شیئرز پر مشتمل ہوگا، کی منظوری دی جاتی ہے۔"

"مزید یہ طے کیا گیا ہے کہ کمپنیز ایکٹ 2017ء کی دفعہ 85 کے تحت اور متاثرہ اطلاق قوانین کی تمام شرائط، بشمول اسٹیٹ بینک آف پاکستان سے بینکنگ کمپنیز آرڈیننس 1962ء کی دفعہ 89 کے تحت منظوری حاصل کرنے سے مشروط، بینک کے میمورنڈم آف ایسوسی ایشن کی شق V کو درج ذیل کے مطابق ترمیم کی جائے اور اس طرح پڑھا جائے۔

"بینک کا مجاز شیئر کمیٹیٹل 20,000,000,000 روپے (بیس ارب روپے) ہے، جو 10 روپے (دس روپے) فی شیئر کے حساب سے 2,000,000,000 (دو ارب) عام شیئرز میں تقسیم شدہ ہے، اور بینک کو اختیار حاصل ہے کہ وہ وقت فوقتاً کمپنیز ایکٹ 2017ء کی دفعات کے مطابق اپنے کمیٹیٹل میں اضافہ کرے۔"

BankIslami Pakistan Limited

Registered Office Address: 11th Floor, Executive Tower, Dolmen City, Marine Drive, Block-4 Clifton, Karachi
Contact: 021-111 475 264

Ballot paper for voting through post for poll to be held at the Annual General Meeting of BankIslami Pakistan Limited being held on Friday, March 27, 2026, at 10:15 a.m. (PST) at Zaver Hall, Pearl Continental, Club Road, Karachi, and through video conferencing.

Contact Details of Chairman, where ballot paper may be sent:

Business Address: 11th Floor, Executive Tower, Dolmen City, Marine Drive, Block-4 Clifton Karachi

Attention: The Chairman

Designated email address: chairman@bipl.io

Name of Shareholder / Joint Shareholders	
Registered Address of Shareholder	
Number of Shares Held	
Folio Number / Participant or Investor Account Number	
CNIC Number (copy to be attached)	
Additional Information & Enclosures (In case of Representative of Body Corporate, Corporation & Federal Government)	

I / we hereby exercise my / our vote in respect of the following special resolutions through postal ballot by conveying my / our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below:

S. No.	Nature & Description of Special Resolution(s)	No. of Ordinary Shares for which votes casted	I / We assent to the Special Resolution(s) (FOR)	I / We dissent to the Special Resolution(s) (AGAINST)
1.	<p>Resolutions for Agenda Item No. 4</p> <p>To consider, and if thought fit, alter the authorized share capital of the Bank and make consequent amendments to the Memorandum of Association of the Bank by passing the following special resolutions:</p> <p>“RESOLVED THAT, pursuant to Section 85 of the Companies Act, 2017 (“Act”) and subject to compliance with all requirements under applicable laws, the increase in the authorized share capital of the Bank from PKR 15,000,000,000/- (Pakistani Rupees Fifteen Billion only) divided into 1,500,000,000 ordinary shares of PKR 10/- (Pakistani Rupees Ten only) each, to PKR 20,000,000,000/- (Pakistani Rupees twenty Billion only) divided into 2,000,000,000 ordinary shares of PKR 10/- (Pakistani Rupees Ten only) each, be and is hereby approved.”</p> <p>“FURTHER RESOLVED THAT, pursuant to Section 85 of the Act and subject to compliance with all requirements under applicable laws, including but not limited to approval of the State Bank of Pakistan (“SBP”) pursuant to Section 89 of the Banking Companies Ordinance, 1962, Clause V of the Memorandum of Association of the Bank be and is hereby altered to read as follows:</p> <p>“The Authorized Capital of the Bank is PKR 20,000,000,000/- (Pakistani Rupees Twenty Billion only) divided into 2,000,000,000 (two billion) Ordinary shares of PKR 10/- (Pakistani Rupees Ten only) each with the powers to the Bank from time to time to increase its capital in accordance with the provisions of the Companies Act, 2017.”</p> <p>“FURTHER RESOLVED THAT, the President & Chief Executive Officer, Deputy Chief Executive Officer, Chief Operations Officer, Chief Financial Officer and Company Secretary, be and are hereby authorized (any two of them acting jointly) on behalf of the Bank to fulfil all requirements of the applicable laws, including obtaining approval of the relevant departments of the SBP for the proposed amendments to the Memorandum of Association of the Bank, and filing requisite applications, declarations, forms, documents, circulars and papers with the regulators, and to take all such steps and execute such documents as may be required, necessary and/or expedient for the purpose of giving effect to the spirit and intent of the above resolutions.”</p>			

Signature of shareholder(s) / Proxy Holder / Authorized Signatory

Place:

Date:

NOTES:

1. Duly filled postal ballot should be sent to Chairman at above-mentioned postal or email address.
2. A Copy of the CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach Chairman of the meeting on or before, March 26, 2026, up till 5 p.m. Any postal ballot received after this date and time will not be considered for voting.
4. The signature on postal ballot should match with the signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten ballot paper will be rejected.
6. Ballot paper has also been placed on the website of the Bank at www.bankislami.com.pk.
7. Members may download the ballot paper from the website or use the original/photocopy published in the newspaper



			<p>”مزید یہ طے کیا گیا ہے کہ کمپنیز ایکٹ 2017ء کی دفعہ 85 کے تحت اور متاثرہ اطلاق قوانین کی تمام شرائط، بشمول اسٹیٹ بینک آف پاکستان سے بینکنگ کمپنیز آرڈیننس 1962ء کی دفعہ 89 کے تحت منظوری حاصل کرنے سے مشروط، بینک کے میمورنڈم آف ایسوسی ایشن کی شق V کو درج ذیل کے مطابق ترمیم کی جائے اور اس طرح پڑھ جائے:</p> <p>”بینک کا مجاز شیئر کیپیٹل 20,000,000,000 روپے (بیس ارب روپے) ہے، جو 10 روپے (دس روپے) فی شیئر کے حساب سے 2,000,000,000 (دو ارب) عام شیئرز میں تقسیم شدہ ہے، اور بینک کو اختیار حاصل ہے کہ وہ وقتاً فوقتاً کمپنیز ایکٹ 2017ء کی دفعات کے مطابق اپنے سرمائے میں اضافہ کرے۔“</p> <p>”مزید یہ طے کیا گیا ہے کہ صدر چیف ایگزیکٹو آفیسر، ڈپٹی چیف ایگزیکٹو آفیسر، چیف آپریشنز آفیسر، چیف فنانشل آفیسر اور کمپنی سیکریٹری (ان میں سے کوئی بھی دو مشترکہ طور پر) بینک کی جانب سے متاثرہ اطلاق قوانین کی تمام ضروریات پوری کرنے، بشمول اسٹیٹ بینک آف پاکستان کے متعلقہ شعبہ حبات سے مجوزہ ترمیم کی منظوری حاصل کرنے، اور ریگولیشنز کے پاس درکار درخواستیں، اعلانات، فنارمز، دستاویزات، سرکلرز اور دیگر کاغذات جمع کرانے، نیز ان متراواؤں کے مقصد اور منشا کو عملی حساب پہنچانے کے لیے تمام ضروری اقدامات کرنے اور دستاویزات پر دستخط کرنے کے مجاز ہوں گے۔“</p>
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ممبر / پراکسی ہولڈر دستخط / مجاز دستخط کنندہ

جگہ:

تاریخ:

ہدایات:

1. مکمل بھرا ہوا پوسٹل بیلٹ اوپر دیے گئے پتے یا ای میل ایڈریس پر چیئرمین کو بھیجا جائے
2. قومی شناختی کارڈ کی نقل پوسٹل بیلٹ فارم کے ساتھ منسلک کی جائے۔
3. پوسٹل بیلٹ فارم اجلاس کے چیئرمین تک 26 مارچ 2026 تک شام 5 بجے تک پہنچنا چاہیے۔ اس تاریخ اور وقت کے بعد موصول ہونے والے پوسٹل بیلٹ دو ٹنگ کے لیے شمار نہیں کیے جائیں گے۔
4. بیلٹ پیپر پر دستخط قومی شناختی کارڈ / پاسپورٹ (غیر ملکی ہونے کی صورت میں) کے دستخط سے مماثلت رکھنے چاہئیں۔
5. نامکمل، بغیر دستخط کے، غلط، خراب شدہ، پھٹا ہوا، ناپائیدار یا پڑھائی یا اور رائٹ شدہ بیلٹ پیپر مسترد کیا جائے گا۔
6. بیلٹ پیپر بینک کی ویب سائٹ www.bankIslami.com.pk پر بھی دستیاب ہے۔
7. ممبران ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبار میں شائع شدہ اصل / فوٹوکاپی استعمال کر سکتے ہیں۔

بینک اسلامی پاکستان لمیٹڈ

رجسٹرڈ آفس کا پتہ: 11 ویں منزل، ایگزیکٹو ٹاور، ڈولمین سٹی، میرین ڈرائیو، بلاک-4، گلشن، کراچی

رابطہ: 021-111 475 264

سالانہ جنرل میٹنگ میں رائے شماری کے لیے بذریعہ ڈاک دو ٹکٹ کا پیلٹ پیپر

یہ پیلٹ پیپر بینک اسلامی پاکستان لمیٹڈ کی سالانہ جنرل میٹنگ میں منعقد ہونے والی رائے شماری کے لیے ہے، جو جمعہ، 27 مارچ 2026 کو صبح 10:15 بجے (پاکستان معیاری وقت) زیور ہال، پرل کانٹی نینٹل، کلب روڈ، کراچی میں اور بذریعہ ویڈیو کانفرنس منعقد ہوگی۔

چیئر مین کی رابطہ تفصیلات، جہاں پیلٹ پیپر بھیجا جاسکتا ہے:

کاروباری پتہ: 11 ویں منزل، ایگزیکٹو ٹاور، ڈولمین سٹی، میرین ڈرائیو، بلاک-4، گلشن کراچی

توجہ برائے: چیئر مین

نامزدی میل ایڈریس chairman@bipl.io

شیر ہولڈر / مشترکہ شیر ہولڈرز کا نام	
شیر ہولڈر کا رجسٹرڈ پتہ	
ملکیت میں موجود شیرز کی تعداد	
فولیو نمبر / پارٹنر شپ یا سرمایہ کار اکاؤنٹ نمبر	
شناختی کارڈ نمبر (کاپی منسلک کی جائے)	
اضافی معلومات اور ضمنی حساب (باڈی کارپوریٹ، کارپوریٹیشن یا وفاق حکومت کے نمائندے کی صورت میں)	

میں / ہم بذریعہ پوسٹل پیلٹ درج ذیل خصوصی مترا دادوں کے سلسلے میں اپنا / اپنے ووٹ کا استعمال کرتے ہیں اور درج ذیل مترا داد پر اپنی منظوری یا عدم منظوری کے اظہار کے لیے نیچے دیے گئے مناسب خانے میں ٹک (✓) کا نشان لگا کر اپنی رائے دیتے ہیں۔

سیریل نمبر	خصوصی مترا داد (وں) کی نوعیت اور تفصیل	عام شیرز کی تعداد جن کے لیے ووٹ کاسٹ کیے گئے	میں / ہم مترا داد کے حق میں ہوں (حمایت)	میں / ہم مترا داد کے خلاف ہوں (مخالفت)
1	ایجنڈا 11م نمبر 4 کے لیے مترا دادیں-4 اگر مناسب سمجھائے تو بینک کے مجاز شیر کمیٹی میں ردوبدل اور اس کے نتیجے میں بینک کے میمورنڈم آف ایسوسی ایشن میں ترمیم کی بذریعہ ذیل خصوصی مترا دادوں کی منظوری: ”یہ طے کیا گیا ہے کہ، کمپنیز ایکٹ 2017ء (”ایکٹ“) کی دفعہ 85 کے مطابق اور متعلقہ قوانین کے تحت تمام تقاضوں کی تکمیل سے مشروط، بینک کے مجاز شیر کمیٹی میں اضافہ، جو کہ 15,000,000,000 روپے (پندرہ ارب روپے) تھتا اور جو 10 روپے (دس روپے) فی شیر کے حساب سے 1,500,000,000 عام شیرز پر مشتمل تھتا، کو بڑھا کر 20,000,000,000 روپے (بیس ارب روپے) کیا جائے جو 10 روپے (دس روپے) فی شیر کے حساب سے 2,000,000,000 عام شیرز پر مشتمل ہوگا، کی منظوری دی جاتی ہے۔“			

Correspondent Banking Network

Country	Name of Bank
AUSTRALIA	JPMORGAN CHASE BANK, N.A.
AUSTRIA	BANK WINTER AND COMPANY AG BAWAG P.S.K. BANK FUER ARBEIT UND WIRTSCHAFT UND OESTERREICHISCHE POSTSPARKASSE AG OBERBANK AG RAIFFEISENLANDESBANK OBEROESTERREICH AKTIENGESELLSCHAFT
BAHRAIN	AL BARAKA ISLAMIC BANK AL SALAM BANK BANK AL HABIB LIMITED BMI BANK BSC JS BANK LIMITED NATIONAL BANK OF PAKISTAN
BANGLADESH	BANK ALFALAH LIMITED BANK ASIA PLC EASTERN BANK PLC HABIB BANK LIMITED JAMUNA BANK PLC NRB BANK PLC SHAHJALAL ISLAMI BANK PLC STANDARD BANK PLC.
BELGIUM	BELFIUS BANK SA/NV HABIB BANK LIMITED KBC BANK NV
CANADA	HABIB CANADIAN BANK
CHINA	AGRICULTURAL BANK OF CHINA, THE BANK OF CHINA LIMITED BANK OF COMMUNICATIONS COMPANY LIMITED BANK OF DALIAN BANK OF HUZHOU BANK OF JIANGSU COMPANY LIMITED BANK OF WENZHOU CHANGSHU RURAL COMMERCIAL BANK

CHINA	CHINA EVERBRIGHT BANK
	DONGYING BANK COMPANY LIMITED
	EXPORT-IMPORT BANK OF CHINA, THE
	GREAT WALL WEST CHINA BANK COMPANY LIMITED
	GUANGDONG NANHAI RURAL COMMERCIAL BANK COMPANY LIMITED
	HABIB BANK LIMITED
	HARBIN BANK COMPANY LIMITED
	HUA XIA BANK
	INDUSTRIAL BANK COMPANY LTD
	INDUSTRIAL AND COMMERCIAL BANK OF CHINA
	JINAN RURAL COMMERCIAL BANK COMPANY LIMITED
	JIANGSU JIANGYAN RURAL COMMERCIAL BANK COMPANY LTD
	JPMORGAN CHASE BANK (CHINA) COMPANY LIMITED
	QINGDAO RURAL COMMERCIAL BANK CORPORATION
	RURAL COMMERCIAL BANK OF ZHANGJIAGANG
	SHENGJING BANK COMPANY LIMITED
	TAICANG RURAL COMMERCIAL BANK
	WEIFANG RURAL COMMERCIAL BANK COMPANY LIMITED
	YINZHOU BANK
	ZHEJIANG CHOUZHOU COMMERCIAL BANK COMPANY LIMITED
	ZHEJIANG SHAOXING COUNTY RURAL COOPERATIVE BANK COMPANY LIMITED
	ZHEJIANG XIAOSHAN RURAL COMMERCIAL BANK COMPANY LIMITED
	ZHONGSHAN RURAL COMMERCIAL BANK COMPANY LIMITED
CZECH REPUBLIC	CESKA SPORITELNA A.S.
	CITIBANK EUROPE PLC
	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.
DENMARK	DANSKE BANK A/S
DJIBOUTI	BANQUE POUR LE COMMERCE ET L'INDUSTRIE - MER ROUGE
	CAC INTERNATIONAL BANK
	INTERNATIONAL INVESTMENT BANK S.A,
	SALAAM AFRICAN BANK
EGYPT	COMMERCIAL INTERNATIONAL BANK (EGYPT) S.A.E.
	EXPORT DEVELOPMENT BANK OF EGYPT
	MASHREQ BANK
FINLAND	DANSKE BANK A/S

FRANCE	BANQUES POPULAIRES-GROUPE BPCE
	CAISSES D'EPARGNE-GROUPE BPCE
	CM - CIC BANQUES
	NATIXIS
GERMANY	DANSKE BANK
	J.P.MORGAN SE
	LANDESBANK HESSEN-THUERINGEN GIROZENTRALE
	NATIONAL BANK OF PAKISTAN, FRANKFURT
	UNICREDIT BANK GMBH (HYPOVEREINSBANK)
HONG KONG	BANK OF AMERICA NATIONAL ASSOCIATION
	CITIBANK N.A.
	HABIB BANK ZURICH (HONG KONG) LIMITED
	HABIB FINANCE INTERNATIONAL LIMITED
	JPMORGAN CHASE BANK, N.A.
	NATIONAL BANK OF PAKISTAN
INDIA	MASHREQ BANK
	UNION BANK OF INDIA
INDONESIA	JPMORGAN CHASE BANK, N.A.
	PT. BANK HIBANK INDONESIA
	PT. BANK MANDIRI (PERSERO), TBK
	PT. BANK MAYAPADA INTERNATIONAL, TBK
	PT. BANK MUAMALAT INDONESIA, TBK
	PT BANK KB INDONESIA TBK
IRELAND	CITIBANK EUROPE PLC
	DANSKE BANK A/S
ITALY	BANCA CAMBIANO 1884 S.P.A.
	BANCA MONTE DEI PASCHI DI SIENA S.P.A.
	BANCA POPOLARE DI SONDRIO
	BANCA UBAE S.P.A.
	BANCA VALSABBINA S.C.P.A.
	BANCO BPM S.P.A.
	BANCO POPOLARE SOC. COOP.
	BDM BANCA S.P.A.
	BPER BANCA S.P.A.

JAPAN	JPMORGAN CHASE BANK, N.A.
	KEB HANA BANK
	NATIONAL BANK OF PAKISTAN
KENYA	HABIB BANK AG ZURICH
	KCB BANK KENYA LIMITED
KOREA	BUSAN BANK
	JPMORGAN CHASE BANK, N.A.
	KEB HANA BANK
	KOOKMIN BANK
	NATIONAL BANK OF PAKISTAN
	WOORI BANK, SEOUL
KUWAIT	COMMERCIAL BANK OF KUWAIT KPSC
LUXEMBOURG	DANSKE BANK INTERNATIONAL S.A.
MALAYSIA	BANK AL HABIB LIMITED
	BANK MUAMALAT MALAYSIA BERHAD
	CITIBANK BERHAD
	J.P.MORGAN CHASE BANK BERHAD
MALTA	IIG BANK (MALTA) LTD
MAURITIUS	HABIB BANK LIMITED
NEPAL	HIMALAYAN BANK LIMITED
NORWAY	DANSKE BANK A/S
PAKISTAN	ALBARAKA BANK PAKISTAN LIMITED
	ALLIED BANK LIMITED
	ASKARI BANK LIMITED
	BANK AL HABIB LIMITED
	BANK ALFALAH LIMITED
	BANK MAKRAMAH LIMITED
	BANK OF CHINA LIMITED
	BANK OF KHYBER
	BANK OF PUNJAB, THE
	CITIBANK N. A.
	DUBAI ISLAMIC BANK PAKISTAN LIMITED
	FAYSAL BANK LIMITED

	FIRST WOMEN BANK LIMITED
	HABIB BANK LIMITED
	HABIB METROPOLITAN BANK LIMITED
	INDUSTRIAL AND COMMERCIAL BANK OF CHINA
	JS BANK LIMITED
	MCB BANK LIMITED
	MCB ISLAMIC BANK LIMITED
	MEEZAN BANK LIMITED
	NATIONAL BANK OF PAKISTAN
	SAMBA BANK LIMITED
	SINDH BANK LIMITED
	SONERI BANK LIMITED
	UNITED BANK LIMITED
POLAND	DANSKE BANK A/S
PORTUGAL	BANCO BPI SA
QATAR	DOHA BANK
	MASHREQ BANK
	MASRAF AL RAYAN
	QATAR INTERNATIONAL ISLAMIC BANK
	UNITED BANK LIMITED
ROMANIA	CITIBANK EUROPE PLC
SAUDI ARABIA	ALRAJHI BANK
	BANK AL BILAD
	BANK AL-JAZIRA
	BANQUE SAUDI FRANSI
	EMIRATES NBD PJSC
	JPMORGAN CHASE BANK, N.A.
	NATIONAL BANK OF PAKISTAN
	THE SAUDI NATIONAL BANK
SINGAPORE	CITIBANK, N.A.
	HABIB BANK LIMITED
	JPMORGAN CHASE BANK, N.A.
SOUTH AFRICA	HBZ BANK LIMITED
	HABIB OVERSEAS BANK LIMITED

SPAIN	BANCO SANTANDER S.A.
SRI LANKA	CITIBANK N.A.
	HATTON NATIONAL BANK PLC
	SAMPATH BANK PLC
SWEDEN	DANSKE BANK A/S
SWITZERLAND	BANQUE CANTONALE VAUDOISE
	HABIB BANK AG ZURICH
	HBL BANK UK LIMITED
	LUZERNER KANTONALBANK
	ZURCHER KANTONALBANK
TAIWAN	JPMORGAN CHASE BANK, N.A.
	TAICHUNG COMMERCIAL BANK
THAILAND	AIG RETAIL BANK PUBLIC COMPANY LIMITED
	BANK OF AYUDHYA PUBLIC COMPANY LIMITED
	EXPORT-IMPORT BANK OF THAILAND
	ISLAMIC BANK OF THAILAND
	JPMORGAN CHASE BANK, N.A.
TURKEY	AKBANK T.A.S.
	AKTIF YATIRIM BANKASI A.S.
	ALBARAKA TURK PARTICIPATION BANK
	ARAB TURKISH BANK
	ASYA KATILIM BANKASI A.S.
	DENIZBANK A.S.
	ECO TRADE AND DEVELOPMENT BANK
	HABIB BANK LIMITED
	KUVEYT TURK KATILIM BANKASI A.S.
	NUROL YATIRIM BANKASI A.S.
	ODEABANK A.S.
	TEKSTIL BANKASI A.S.
	TURKIYE CUMHURİYETİ ZIRAAT BANKASI A.S.
	TURKIYE EMLAK KATILIM BANKASI A.S.
	TURKIYE FINANS KATILIM BANKASI A.S.
	TURKIYE VAKIFLAR BANKASI T.A.O.
	VAKIF KATILIM BANKASI A.S.
	ZIRAAT KATILIM BANKASI A.S.

UNITED ARAB EMIRATES	ABU DHABI COMMERCIAL BANK
	ABU DHABI ISLAMIC BANK
	BANK ALFALAH LIMITED
	CITIBANK N.A.
	EMIRATES NBD BANK PJSC
	HABIB BANK AG ZURICH
	HABIB BANK LIMITED
	MASHREQ BANK
	MCB BANK LIMITED
	SHARJAH ISLAMIC BANK
	UNITED BANK LIMITED
UNITED KINGDOM	BANK OF AMERICA, N.A
	CITIBANK N.A.
	DANSKE BANK A/S
	HABIB BANK ZURICH PLC
	HBL BANK UK LIMITED
	JPMORGAN CHASE BANK, N.A.
	MASHREQ BANK
	UNITED BANK UK
	WOORI BANK, LONDON
UNITED STATES	CITIBANK N.A.
	HABIB AMERICAN BANK
	JPMORGAN CHASE BANK, N.A.
	MASHREQ BANK
	U.S. BANK N.A.
	WELLS FARGO BANK, N.A.
	WILSHIRE BANK
	ZIONS BANCORPORATION N.A.
VIETNAM	ASIA COMMERCIAL BANK
	HOCHIMINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK
	JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM
	VIETNAM-ASIA COMMERCIAL JOINT-STOCK BANK
	VIETNAM MARITIME COMMERCIAL JOINT STOCK BANK
	VIETNAM PUBLIC JOINT STOCK COMMERCIAL BANK (PVCOMBANK)

Branch Network

S.No	Br Code	Branch Name	City
Azad Jammu and Kashmir			
1	3163	Bagh	Bagh
2	3006	Islamgarh	Islamgarh
3	3151	Kotli AJK, Branch	Kotli Ajk
4	3003	Mirpur Ajk	Mirpur, Ajk
5	3073	Mirpur Ajk	Mirpur, Ajk
6	3098	Muzafarabad	Muzfarabad
7	3114	Rawlakot	Rawlakot
Balochistan			
8	1038	Air Port Road Quetta	Quetta
9	1224	Airport Road Branch, Gwadar	Gawadar
10	1220	Archer Road Branch Quetta	Quetta
11	1013	Chaman	Chaman
12	1081	Choharmal Road Quetta	Quetta
13	1198	Dalbandin	Dalbadin
14	1265	Dera Allah Yar	Dera Allah Yar
15	1223	Dera Murad Jamali, Branch	Dera Murad Jamali
16	1044	Dukki	Dukki
17	1055	Gawalmandi	Quetta
18	1166	Harnai	Harnai
19	1168	Hazarganji	Quetta
20	2001	Jinnah Road Quetta	Quetta
21	1053	Khanozai	Khanozai
22	1217	Khuzdar Branch, Khuzdar	Khuzdar
23	1047	Kuchlak	Kuchlak
24	1043	Loralai	Loralai
25	1222	Musa Khell Branch	Musakhell
26	1016	Muslim Bagh	Muslim Bagh
27	1199	Panjgor	Panjgor
28	1014	Pishin	Pishin
29	1015	Qilla Saifullah	Qila Saifullah
30	1180	Quetta Cantt	Quetta
31	1218	Rakhni, Branch	Rakhni
32	1181	Sanjavi	Sanjavi
33	1221	Sariab Road Branch, Quetta	Quetta
34	1070	Satellite Town Quetta	Quetta
35	1054	Shahbaz Town Quetta	Quetta
36	1031	Shara e Iqbal Quetta	Quetta
37	1175	Sibi	Sibbi
38	1160	Suraj Ganj Bazar Quetta	Quetta
39	1188	Turbat	Turbat
40	1048	Zhob	Zhob
41	1266	Ziarat Branch	Ziarat

Gilgit Biltistan			
42	3028	Chillas	Chillas
43	3152	Ghakuch Branch	Ghakuch
44	3023	Gilgit	Gilgit
45	3164	Kaplu	Khaplu
46	3116	NLI Market, Gilgit	Gilgit
47	3103	Skardu	Skardu
Islamabad Capital Territory			
48	3084	Bahria Enclave, Islamabad	Islamabad
49	3029	Bahria Town, Ph-4	Islamabad
50	3138	Barakahu Branch, Islamabad	Islamabad
51	3058	Blue Area-2, Islamabad	Islamabad
52	3131	D-12 Markaz Branch, Islamabad	Islamabad
53	3043	DHA Phase-II, Islamabad	Islamabad
54	3083	E-11, Islamabad	Islamabad
55	3011	F-10 Markaz, Islamabad	Islamabad
56	3050	F-11 Markaz, Islamabad	Islamabad
57	3112	F-7 Markaz, Islamabad	Islamabad
58	3100	F-8 Markaz Islamabad	Islamabad
59	3051	G-10 Markaz, Islamabad	Islamabad
60	3085	G-11 Markaz, Islamabad	Islamabad
61	3105	G-13 Branch, Islamabad	Islamabad
62	3121	G-15 Markaz	Islamabad
63	3052	G-6, Islamabad	Islamabad
64	3049	G-9 Markaz, Islamabad	Islamabad
65	3136	Ghuri Town Branch, Islamabad	Islamabad
66	3129	Gulberg Green, Islamabad	Islamabad
67	3054	Humak	Islamabad
68	3088	I-10 Markaz, Islamabad	Islamabad
69	3137	I-11 Sabzi Mandi Branch Islamabad	Islamabad
70	3018	I-8 Markaz, Islamabad	Islamabad
71	3016	I-9 Islamabad	Islamabad
72	3113	MPCHS , Islamabad	Islamabad
73	3111	Naval Complex, Islamabad	Islamabad
74	3087	Pwd, Islamabad	Islamabad
75	3106	Soan Garden, Islamabad	Islamabad
76	3130	Tarlai Branch	Islamabad
77	3009	Tarnol	Islamabad
78	3119	Top City Islamabad	Islamabad
Khyber Pakhtunkhwa			
79	3010	Abbotabad	Abbottabad
80	3032	Balakot	Balakot
81	3097	Bannu	Bannu
82	3143	Barikot Branch	Barikot
83	3040	Batgram	Batagram
84	3026	Batkhela	Batkhela
85	3036	Beesham	Besham
86	3024	Booni	Booni
87	3092	Bunair	Buner

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Branch Network

88	3109	Chakdara	Chakdara
89	3115	Charsada	Charsada
90	3015	Chitral	Chitral
91	3090	Dalazak Road, Peshawar	Peshawar
92	3093	Dargai	Dargai
93	3144	Darra Adam Khel	Darra Adam Khel
94	3110	Dassu	Dassu
95	3019	Dera Ismail Khan Branch	D. I. Khan
96	3142	Ghazi Branch	Ghazi
97	3021	Haripur	Hari Pur
98	3167	Haya Serai	Haya Serai
99	3068	Hayatabad, Peshawar	Peshawar
100	3005	Jamrud Road, Peshawar	Peshawar
101	3146	Khar Bajaur, Branch	Khar Bajour
102	3124	Khwazakhela	Khwazakhela
103	3007	Khyber Bazar, Peshawar	Peshawar
104	3101	Kohat	Kohat
105	3141	Larri Adda Branch	Mansehra
106	3107	Mandian, Abbottabad	Abbottabad
107	3020	Mansehra	Mansehra
108	3035	Mardan	Mardan
109	3102	Matta	Matta
110	3025	Mingora	Sawat
111	3037	Naran	Naran
112	3039	Nowshera	Nowshera
113	3139	Oghi Branch	Oghi
114	3145	Pabbi Branch	Pabbi
115	3108	Pattan Branch, Pattan	Pattan
116	3066	Peshawar Cantt	Peshawar
117	3153	Ring Road Peshawar	Peshawar
118	3123	Shabqadar	Shabqadar
119	3140	Shinkiari Branch	Shinkiari
120	3122	Swabi	Swabi
121	3166	Takht Bhai Branch	Takht Bhai
122	3118	Thall	Thall
123	3027	Timergara	Timargara
124	3091	Upper Dir	Upper Dir
125	3154	Warsak Road Peshawar	Peshawar
Punjab			
126	2196	14 No. Chungi Branch, Multan	Multan
127	2226	85 Jahal Branch	Jhal
128	2050	Abbot Road	Lahore
129	2008	Abdali Road, Multan	Multan
130	2208	Addah Branch	Addah
131	3094	Adyala Road, Rawalpindi	Rawalpindi
132	3133	Afshan Colony Branch, Range Road Rawalpindi	Rawalpindi
133	2132	Ahmedpur East	Ahmedpur East
134	2031	Airport Road Lahore	Lahore
135	2228	Ajwa City, Arifwala Road, Sahiwal	Ajwa City Sahiwal

136	2011	Akbar Chowk	Lahore
137	2188	Allah Abad Branch	Chunian
138	2037	Allama Iqbal Town	Lahore
139	2056	Arifwala	Arifwala
140	2136	Askari-XI, Lahore	Lahore
141	3034	Attock	Attock
142	2016	Azam Cloth	Lahore
143	2026	Badami Bagh	Lahore
144	2231	Baghbanpura Branch Lahore	Lahore
145	2131	Bahawalnagar	Bahawalnagar
146	2234	Bahawalpur Bypass Chowk Multan	Multan
147	3104	Bahria Phase-VIII, Rawalpindi	Rawalpindi
148	2045	Bahria Town	Lahore
149	3062	Bahria Town, Ph-1	Rawalpindi
150	3044	Bahria Town, Phase-VII, Rawalpindi	Rawalpindi
151	2246	Basirpur	Basirpur
152	2048	Beadon Road	Lahore
153	2153	Bhagatanwala	Bhagatanwala
154	2145	Bhakkar	Bhakkar
155	2225	Bhalwal Industrial Estate Branch	Bhalwal
156	2161	Bhalwal Road	Bhalwal
157	2261	Bhera Branch	Bhera
158	2109	Burewala	Burewala
159	2242	Canal Bank Branch Lahore	Lahore
160	2232	Canal Road Branch	Faisalabad
161	2046	Cavalry Ground	Lahore
162	3128	CBD Bahria Phase 8, Rawalpindi	Rawalpindi
163	2200	Chak Jhumra Branch	Chak Jhumra
164	3012	Chaklala Scheme-III, Rawalpindi	Rawalpindi
165	3022	Chakwal	Chakwal
166	2041	Chichawatni	Chichawatni
167	2051	Chiniot	Chiniot
168	2141	Chistian	Chishtian
169	2169	Chowk Shaheedan. Multan	Multan
170	2004	Circular Road	Lahore
171	2071	Circular Road Bipl 2	Lahore
172	2095	College Road	Lahore
173	2014	D.G Khan (Also Merged Branch 2076)	D. G. Khan
174	2210	Daharanwala Branch	Daharanwala
175	2027	Daroghawala	Lahore
176	2140	Daska	Daska
177	2146	Depalpur	Depalpur
178	2117	DHA EME	Lahore
179	2010	DHA G Block Lahore	Lahore
180	3120	DHA Phase 1 Rawalpindi	Rawalpindi
181	2096	DHA Phase 2 Lahore	Lahore
182	2104	DHA Phase 4 Lahore	Lahore
183	2044	DHA Phase 5 Lahore	Lahore
184	2107	DHA Phase 6 Lahore	Lahore

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Branch Network

185	2229	DHA Phase VIII, Lahore	Lahore
186	2243	DHA Q Block Phase 2 Branch	Lahore
187	2003	DHA Y Block Lahore	Lahore
188	2180	Dijkot Branch, Dijkot	Dijkot
189	3072	Dinga	Dinga
190	2217	Dubai Chowk Branch, Bahawalpur	Bahawalpur
191	2223	Dunyapur Branch	Dunayapur
192	2097	Eden City	Lahore
193	2072	Expo, Johar Town	Lahore
194	2135	Faisal Town Lahore	Lahore
195	3125	Faisal Town, Rawalpindi	Rawalpindi
196	2219	Farid Town, Branch Sahiwal	Sahiwal
197	3065	Fateh Jang	Fateh Jang
198	2137	Fazaia Society, Lahore	Lahore
199	2015	Ferozepur Road Lahore	Lahore
200	2203	Fortress Stadium	Lahore
201	3082	G.T Road Gujranwala	Gujranwala
202	2212	Gaggo Mandi Branch	Gaggo Mandi
203	2214	Gahra Morr Branch	Gahra Morr
204	2052	Garden Town Lahore	Lahore
205	2172	Garden Town Multan	Multan
206	2240	Garhi Shahu	Lahore
207	2177	Ghakhar Branch	Ghakhar,
208	2216	Ghallah mandi Branch, Liaquatpur Rahim yar Khan	Liaquatpur
209	3064	Ghourghushti	Hazro
210	2108	Gojra	Gojra
211	2207	Gojra II Branch	Gojra
212	3074	Gujjar Khan	Gujjar Khan
213	2006	Gujrat	Gujrat
214	3080	Gujrat 2	Gujrat
215	2053	Gulberg Hali Road	Lahore
216	2018	Gulgasht Colony, Multan	Multan
217	2061	Gulshan e Ravi Lahore	Lahore
218	3135	Gulzar-e-Quaid Branch, Rawalpindi	Rawalpindi
219	2144	Hafizabad	Hafizabad
220	2057	Haroonabad	Haroonabad
221	2166	Hasilpur	Hasilpur
222	3038	Hassan Abdal	Hasan Abdal
223	3013	Hazro	Hazro
224	2247	Hujra Shah Muqem Branch	Hujra Shah Muqem
225	2173	Hussain Agahi Branch, Multan	Multan
226	2129	Islampura	Lahore
227	2163	Izmir Town, Lahore	Lahore
228	2218	Jahanian Branch	Jahanian
229	2002	Jail Road	Lahore
230	2182	Jalalpur Jattan	Jalalpur Jattan
231	2133	Jampur	Jampur
232	2142	Jaranwala	Jaranwala
233	3014	Jhelum	Jhelum

234	3075	Jhelum Cantt	Jhelum
235	2024	Jhnag	Jhung
236	2134	Jhnag Road, Faisalabad	Faisalabad
237	2224	Jia Bagga Branch	Jia Bagga
238	2017	Jinnha Road Sahiwal	Sahiwal
239	2032	Johar Town	Lahore
240	2063	Johar Town 2	Lahore
241	2154	Joharabad	Joharabad
242	2220	Kabirwala Branch	Kabirwala
243	3149	Kahuta Branch	Kahuta
244	3095	Kallar Syedan	Kalar Sayden
245	3147	Kalma Chowk Branch	Rawalpindi
246	2158	Kalowal	Kalowal
247	2165	Kamaliya	Kamaliya
248	2033	Kamoki	Kamoki
249	3132	Kamran Market Branch, Saddar Rawalpindi	Rawalpindi
250	2167	Karim Block, Lahore	Lahore
251	2091	Kasur	Kasur
252	2227	Khadar Branch	Kuthiala Shaikhan
253	2164	Khan Bela	Khan Bela
254	3099	Khana Pul Branch	Rawalpindi
255	2118	Khanewal	Khanewal
256	2235	Khanewal Road, Multan	Multan
257	2036	Khanpur	Khanpur
258	3071	Kharian	Kharian
259	2176	Khurrianwala Branch, Jaranwala	Khurrianwala
260	2147	Khushab	Khushab
261	2253	Kot Abdul Malik	Kot Abdul Malik
262	2215	Kot Addu Branch	Kotaddu
263	2157	Kot Radha Kishan	Kot Radha Kishan
264	2007	Kotwali Road, Faisalabad	Faisalabad
265	2035	Lalamusa	Lalamusa
266	3148	Lalazar Branch, Rawalpindi	Rawalpindi
267	2126	Layyah	Layyah
268	2149	Lodharan	Lodhran
269	2205	M. A. Johar Town Branch, lahore	Lahore
270	2012	M.A.Jinnah Road, Okara	Okara
271	2162	Mailsi	Mailsi
272	2160	Main 49-Tail Faisalabad Road, Sargodha	Sargodha
273	2230	Main Boulevard Gulberg	Lahore
274	2090	Main Liaquat Road, Sahiwal	Sahiwal
275	2178	Malakwal Branch	Malakwal
276	2040	Mandibahuddin	Mandi Bahauddin
277	2151	Mattital	Multan
278	2252	Mauza Alipur	Alipur
279	2023	Mian Channu	Mian Channu
280	2030	Mianwali	Mianwali
281	2123	Millat Road, Faisalabad	Faisalabad
282	2213	Minchinabad Branch	Minchinabad

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Branch Network

283	2189	Mini Market Branch College Road Gulberg Lahore	Lahore
284	2127	Mintgumery Bazar, Faisalabad	Faisalabad
285	2038	Misirshah	Lahore
286	2093	Model Town	Lahore
287	2019	Model Town B.Bahawalpur	Bahawalpur
288	2102	Model Town, Multan	Multan
289	2262	Mong Branch	Mong Rasool
290	3155	Morgha, Rawalpindi	Rawalpindi
291	2183	Mouza Kotla Sikhani	Mouza Kotla Sikhani
292	2066	Mozang	Lahore
293	2073	Mughal Pura	Lahore
294	2192	Muhafiz Town Branch, lahore	Lahore
295	2054	Multan Road Lhr	Lahore
296	2222	Mundike Goraya Branch	Mundike Guraya
297	2130	Muridke	Muridke
298	3031	Murree	Muree
299	2156	Muzaffar Gharh	Muzaffar Gharh
300	2199	Nankana Sahib Branch	Nankana Sahib
301	2198	New Grain Market, Rahim Yar Khan	Rahim Yar Khan
302	2116	Nishter Colony	Lahore
303	2202	Nowsheran Virkan	Nowsheran Virkan
304	2080	Nusrat Road, Multan	Multan
305	2120	Pakpattan	Pakpattan
306	2099	Paragon City	Lahore
307	2100	Paris Road Sialkot	Sialkot
308	2209	Pasroor Branch, Sialkot	Pasroor
309	2181	Pattoki Branch, Pattoki	Pattoki
310	2168	Phaliya	Phaliya
311	3117	Pind Dadan Khan	Pind Dadan Khan
312	2206	Pindi Bhattian	Pindi Bhattian
313	3150	Pindi Gheb Branch	Pindi Gheb
314	2122	Pir Mahal	Pir Mahal
315	2174	Pul Aik Pasroor, Branch	Pasroor
316	2191	Quid-e-Azam Industrial Estate Branch, lahore	Lahore
317	2009	Rahim Yar Khan	Rahim Yar Khan
318	2020	Railway Road, Sargodha	Sargodha
319	2143	Raiwind	Raiwind
320	3046	Raja Bazar, Rawalpindi	Rawalpindi
321	2194	Raja Market Branch	Lahore
322	2148	Rajanpur	Rajanpur
323	2110	Rana Market, Okara	Okara
324	2047	Ravi Road	Lahore
325	2171	Raya Golf Club, DHA Phase 6	Lahore
326	2155	Renala Khurd	Renala Khurd
327	2159	Riwaz Garden	Lahore
328	2124	Sabzazar, Lahore	Lahore
329	3017	Saddar, Rawalpindi	Rawalpindi
330	2025	Sadiqabad	Sadiqabad
331	2239	Samanabad, Faisalabad	Faisalabad

332	2125	Samanabad, Lahore	Lahore
333	3079	Sambrial	Sambriyal
334	2175	Samundri , Branch	Samundari
335	3127	Sarai Alamgir	Sarai Alamgir
336	2152	Sargodh	Sargodha
337	2185	Sargodha Road Branch, Faisalabad	Faisalabad
338	2113	Satellite Town Bahawalpur	Bahawalpur
339	2197	Satellite Town Branch, Gujranwala	Gujranwala
340	3004	Satellite Town, Rawalpindi	Rawalpindi
341	2098	Satellite Town, Sargodha	Sargodha
342	2139	Satyana Road	Faisalabad
343	2070	Shadman Colony	Lahore
344	3077	Shahabpura Sialkot	Sialkot
345	2112	Shahalam	Lahore
346	2193	Shahdara Branch	Lahore
347	2170	Shahkot, Nanakana Sahib	Shahkot
348	2115	Shahrukne Alam, Multan	Multan
349	2138	Shalimar Link Road, Lahore	Lahore
350	2150	Shangla Hill	Sangla Hill
351	2204	Sharaqpur, Sheikhpura	Sharaqpur
352	2088	Sheikhpura	Sheikhpura
353	2251	Shorkot Cantt	Shorkot Cantt
354	2121	Shujabad	Shujabad
355	2195	Sialkot Cantt Branch	Sialkot
356	2021	Sialkot Kashmir Road	Sialkot
357	2184	Sikareyali Branch, Sikareyali	Sekriyali
358	2179	Sillanwali Branch, Sillanwali	Sillanwali
359	2187	Sunder Industrial Estate Branch, Lahore	Raiwind
360	2013	Susan Road, Faisalabad	Faisalabad
361	2238	Syedana wala bypass	Multan
362	2221	Syedwala	Syedwala
363	3086	Talagang	Talagang
364	2201	Tandlianwala	Tandlianwala
365	3033	Tatral Kahun	Tatral Kahun
366	2263	Taunsa Sharif	Taunsa
367	3008	Taxila	Taxila
368	2029	Thokar Niaz Baig	Lahore
369	2042	Toba Tek Singh	Toba Tek Singh
370	2005	Trust Plaza Gujranwala	Gujranwala
371	2244	Ugoki Sialkot	Sialkot
372	2039	Urdu Bazar	Lahore
373	2111	Valencia	Lahore
374	2079	Vehari	Vehari
375	2211	Vehari Bazar Burewala Branch	Burewala
376	2186	Vehari Chowk, Branch , Multan	Multan
377	2022	Vehari Road, Multan	Multan
378	3002	Wah Cantt	Wah Cantt.
379	3134	Wah Model Town Branch Main G.T Road	Wah Cantt.
380	2064	Wahdat Road Lahore	Lahore

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Branch Network

381	3126	Waisa	Waisa
382	2028	Walton Road Lahore	Lahore
383	2043	Wapda Town	Lahore
384	2190	Wapda Town Branch , lahore	Lahore
385	2101	Wapda Town, Gujranwala	Gujranwala
386	3041	Wazeerabad	Wazirabad
387	3030	Westridge, Rawalpindi	Rawalpindi
388	2119	Zahirpir	Zahir Pir
389	2128	Zarrar Shaheed Road	Lahore
Sindh			
390	1007	Block# L	Karachi
391	1234	Jinnah Avenue Branch, Karachi	Karachi
392	1090	Khayaban-e-Ittehad	Karachi
393	1004	26th Street D.H.A.	Karachi
2	1190	Abul Hasan Isphani	Karachi
5	1039	Al-Hilal Society	Karachi
394	1231	Amina Residence, I.I Chundigar Road, Karachi	Karachi
395	1150	Anda More	Karachi
396	1096	Askari 3	Karachi
397	1020	Auto Bhan	Hyderabad
398	1051	Ayesha Manzil	Karachi
399	1153	Babar Market	Karachi
400	1147	Badin	Badin
401	1189	Bahadurabad	Karachi
402	1185	Bahria Town	Karachi
403	1194	Baldia Town Branch	Karachi
404	1036	Baloch Colony	Karachi
405	1229	Banoria, S.I.T.E Branch	Karachi
406	1009	Baqai University	Karachi
407	1143	Bilal Chowrangi	Karachi
408	1122	Bipl 2 – Mehar	Mehar
409	1117	Bipl 2 – Saddar, Hyderabad	Hyderabad
410	1119	Bipl 2 – Sanghar	Sanghar
411	1121	Bipl 2- Kandh Kot	Kandhkot
412	1106	Bipl 2- Khalid Bin Waleed	Karachi
413	1227	Block C North Nazimabad Branch	Karachi
414	1059	Buffer Zone	Karachi
415	1029	Burns Road	Karachi
416	1213	Cesar Tower Branch Karachi	Karachi
417	1214	Citizen Colony, Qasimabad Hyderabad, Branch	Hyderabad
418	1066	Clifton Block 5	Karachi
419	1080	Clifton Centre	Karachi
420	1012	Cochinwala Cloth Market	Karachi
421	1156	Crossing	Karachi
422	1052	D.H.A Phase-Viii	Karachi
423	1170	Dadu	Dadu
424	1205	Daharki	Daharki
425	1061	Dastagir	Karachi
426	1244	Daur Branch	Daur

427	1062	Dehli Colony	Karachi
428	1077	DHA Bukhari	Karachi
429	1024	Dha IV	Karachi
430	1050	Dha Phase II	Karachi
431	1206	DHA Phase VII Ext Branch, Karachi	Karachi
432	1140	DHA Shahbaz	Karachi
433	1216	Digri	Digri
434	1030	Dohraji	Karachi
435	1086	Electronic MKT	Karachi
436	1027	F.B. Area	Karachi
437	1078	F.B. Industrial Area	Karachi
438	1200	Falcon Complex Sh-e-Faisal	Karachi
439	1177	Falcon Complex	Karachi
440	1257	Fishery branch karachi	karachi
441	1203	Fortune Center – Shahrach-e-Faisal, Karachi	Karachi
442	1251	Gambat Branch	Gambat
443	1162	Garden West	Karachi
444	1056	Gharo	Gharo
445	1065	Ghotki	Ghotki
446	1093	Golimmar	Karachi
447	1087	Grain Market	Karachi
448	1045	Gulistan e Johar	Karachi
449	1114	Gulistan e Johar Bipl-02	Karachi
450	1209	Gulistan-e-Johar Block-15,Karachi.	Karachi
451	1085	Gulshan Block 6	Karachi
452	1111	Gulshan Chowrangi	Karachi
453	1064	Gulshan e Hadeed	Karachi
454	1060	Gulshan-e-Iqbal 13-C	Karachi
455	1127	Gulshan-e-Iqbal-2	Karachi
456	1201	Gulshan-e-Jamal	Karachi
457	1008	Gulshan-e-Maymar	Karachi
458	1068	Gulzar-e-Hijri	Karachi
459	1173	Hala	Hala
460	1238	Hala Naka Branch Hyderabad	Hyderabad
461	1033	Heerabad, Hyderabad	Hyderabad
462	1241	Hussainabad Branch	Karachi
463	1082	Hydri Market	Karachi
464	1132	I. I. Chundrigar Road	Karachi
465	1144	Iqbal Road Chandi, Mirpurkhas	Mirpur Khas
466	1215	Jacobabad, Branch	Jacobabad
467	1167	Jhuddo	Jhuddo
468	1011	Jodia Bazar	Karachi
469	1202	Johar Block 13, Gulistan-e-Johar, Karachi	Karachi
470	1191	Johar Morh Rmr	Karachi
471	1252	Johi Branch, Dadu	Johi
472	1010	Karachi Stock Exchange	Karachi
473	1095	Karsaz	Karachi
474	1097	Kemari	Karachi
475	1101	Khairpur	Khairpur

BankIslami

Branch Network

476	1164	Khayaban -e-Nishat PH 5	Karachi
477	1196	Khayaban Ittehad, DHA	Karachi
478	1210	Khayaban-e-Rahat, Karachi	Karachi
479	1240	Khipro Branch, Sanghar	Khipro
480	1002	Korangi	Karachi
481	1230	Korangi Industrial Area II Branch, Karachi	Karachi
482	1246	Kot Ghulam Muhammad	Kot Ghulam Muhammad
483	1169	Kotri	Kotri
484	1204	Kunri	Kunri
485	1079	Landhi Industrial Area	Karachi
486	1018	Larkana	Larkana
487	1073	Latifabad	Hyderabad
488	1267	LUMHS Branch Jamshoro	Jamshoro
489	1192	Maatli	Maatli
490	1208	Madina City, Branch, Tando Muhammad Khan	Tando Muhammad Khan
491	1094	Mahmoodabad	Karachi
492	1003	Main Branch	Karachi
493	1243	Makli branch, Thatta	Makli
494	1046	Malir Cantt I	Karachi
495	1178	Malir Cantt II	Karachi
496	1098	Malir City	Karachi
497	1225	March Bazar Sukkur	Sukkur
498	1226	Mehrabpur Branch	Mehrabpur
499	1145	Military Road, Sukkur	Sukkur
500	1021	Mirpur Khas	Mirpur Khas
501	1179	Model Colony	Karachi
502	1184	Moro	Moro
503	1211	Muhammad Ali Society Branch Karachi	Karachi
504	1195	N.Nazimabad Blk-N	Karachi
505	1250	Naushahro-Feroze Branch	Naushahro Feroze
506	1049	Naval Colony	Karachi
507	1019	Nawab Shah	Nawabshah
508	1034	Nazimabad No 7	Karachi
509	1099	Nazimabad No. 2	Karachi
510	1074	New Challi	Karachi
511	1100	New Sabzi Mandi	Karachi
512	1032	NN Block# A	Karachi
513	1161	NN Block# B	Karachi
514	1148	North Karachi Industrial Area	Karachi
515	1233	Ocean 1 Shaheed e Millat Road Branch	Karachi
516	1040	Orangi Town	Karachi
517	1151	Palm Residency	Karachi
518	1026	Parsa Tower Branch	Karachi
519	1067	Patel Para	Karachi
520	1088	PIDC	Karachi
521	1075	Port Qasim	Karachi
522	1035	Power House	Karachi
523	1141	Preedy Street	Karachi
524	1071	Qasimabad, Hyderabad	Hyderabad

525	1253	Rajo Khanani, Branch	Rajo Khanani
526	1006	Rashid Minhas Road	Karachi
527	1236	Rim Jhim Tower Branch	Karachi
528	1235	Saadi Town, Karachi	Karachi
529	1187	Saba Avenue	Karachi
530	1248	Sachal Town Branch, Larkana	Larkana
531	1042	Saddar	Karachi
532	1159	Safoora	Karachi
533	1242	Sajawal branch	Sajawal
534	1028	Shadman Town	Karachi
535	1249	Shafiq Mor Branch	Karachi
536	1041	Shah Faisal Colony 1	Karachi
537	1155	Shah Faisal Colony II	Karachi
538	1247	Shahdadkot Branch	Shahdadkot
539	1239	Shahdadpur	Shahdadpur
540	1005	Shaheed-e-Millat Road	Karachi
541	1108	Shahrah-e-Faisal 2	Karachi
542	1172	Shamsi Society Branch	Karachi
543	1084	Sharfabad	Karachi
544	1183	Shershah	Karachi
545	1207	Shikarpur Branch, Shikarpur -	Shikarpur
546	1001	Site-1	Karachi
547	1137	Site-2	Karachi
548	1092	SMCHS	Karachi
549	1057	Sohrab Goth	Karachi
550	1146	Station Road Kohinoor, Hyderabad	Hyderabad
551	1017	Station Road, Sukkur	Sukkur
552	1091	Steel Market	Karachi
553	1069	Tando Adam	Tando Adam
554	1022	Tando Allahyar	Tando Allah Yar
555	1186	Tariq Road	Karachi
556	1163	Tauheed Commercial	Karachi
557	1212	Teen Talwar Clifton Branch, Karachi	Karachi
558	1256	Tibet Center Branch karachi	karachi
559	1193	Timber Market Branch	Karachi
560	1259	Tower Market Branch Hyderabad	Hyderabad
561	1245	Umerkot Branch	Umerkot
562	1037	University Road	Karachi
563	1025	Up More	Karachi
564	1197	Water Pump	Karachi
565	1072	West Wharf	Karachi
566	1103	Yousuf Plaza	Karachi
567	1149	Zamzama DHA	Karachi
568	1149	Zamzama DHA	Karachi
569	1048	Zhob	Zhob

Proxy Form

22nd Annual General Meeting

The Company Secretary
 BankIslami Pakistan Limited
 11th Floor, Executive Tower,
 Dolmen City, Marine Drive,
 Block – 4, Clifton,
 Karachi – Pakistan.

I/We, _____ of _____, being a member of BankIslami Pakistan Limited, holder of _____ Ordinary Share(s) as per Share Register Folio No./CDC Account No. _____ hereby appoint _____, Folio No./CDC Account No. (if member), _____ of _____ or failing him / her _____ Folio No./CDC Account No. (if member), _____ of _____ as my / our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the 22nd Annual General Meeting of the Bank to be held on Friday, March 27, 2026 at 10:15 a.m (PST) at Zaver Hall, Pearl Continental, Club Road, Karachi and at any adjournment thereof

Signed under my / our hand this _____ day of _____

Witness 1:

Name: _____

Signature _____

Address: _____

CNIC or Passport No. _____

Please affix
 Rupees Five
 Revenue Stamp

Witness 2:

Name: _____

Signature _____

Address: _____

CNIC or Passport No. _____

Signature of Member(s)

Notes:

1. Proxies in order to be effective, must be received by the Bank not less than 48 hours before the meeting.
2. If a member appoints more than one proxy and / or more than one instruments of proxy are deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.
3. Beneficial Owner of the physical shares and the shares registered in the name of CDC Share Registrar Services Limited (CDCSRSL) and / or their proxies are required to produce their original Computerized National Identity Card (CNIC) or Passport for identification purposes at the time of attending meeting. The Form of proxy must be submitted with the Bank within the stipulated time, duly witnessed by two persons whose names, address and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the Passport of the beneficial owner and the proxy. In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney along with the specimen signature shall be submitted (unless it has been provided earlier along with the proxy form to the Bank).

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The Company Secretary

BankIslami Pakistan Limited

11th Floor, Executive Tower,
Dolmen City, Marine Drive,
Clifton Block - 4,
Karachi, Pakistan

بانک اسلام سالانہ عام اجلاس
کمپنی سیکریٹری

بینک اسلامی پاکستان لمیٹڈ

11 ویں منزل، ایگزیکٹو ٹاور،

ڈولمین سٹی، میرین ڈرائیو، بلاک-4، کلفٹن،

کراچی-پاکستان۔

میں / ہم، ساکن _____، جو کہ بینک اسلامی پاکستان لمیٹڈ کے ممبر ہیں اور شیئرز رجسٹر فلیو
نمبر / سی ڈی سی اکاؤنٹ نمبر _____ کے مطابق _____ عدد عام شیئرز کے حاصل ہیں، بذریعہ ہذا _____، فلیو
نمبر / سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہوں) _____، ساکن _____ یا ان کی عدم موجودگی
میں _____ فلیو نمبر / سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہوں) _____ ساکن _____
کو اپنا پراکسی مقرر کرتا کرتے ہیں، کہ وہ میری / ہماری غیر موجودگی میں 22 ویں سالانہ جنرل اجلاس میں، جو
جمعہ، 27 مارچ 2026 کو صبح 10:15 بجے زیور ہال، پرل کائٹھیننٹل، کلب روڈ، کراچی میں منعقد ہوگا، اور اس کے کسی بھی مؤخر شدہ اجلاس میں میری / ہماری جانب سے شرکت
کریں اور ووٹ دیں۔

میرے / ہمارے ذریعے سے _____ کے _____ دن دستخط کئے گئے۔

براہ کرم پانچ روپے کا

ریونیو سٹیپ چسپاں کریں۔

ممبر کے دستخط

گواہ 1:

نام:

دستخط

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

گواہ 2:

نام:

دستخط

پتہ:

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

نوٹس:

- 1- پراکسی مؤثر ہونے کے لیے، اجلاس سے کم از کم 48 گھنٹے قبل بینک کو موصول ہونا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زیادہ پراکسی کا اقتدار کرتا ہے اور / یا پراکسی کے ایک سے زیادہ فارم کسی ممبر نے بینک میں جمع کرائے ہیں، تو پراکسی کے ایسے تمام فارم عنایتاً مسترد دیے جائیں گے۔
- 3- فنڈنگل شیئرز کے اصل مالک اور CDC شیئرز رجسٹرار سروسز لمیٹڈ کے نام پر رجسٹرڈ حصص اور / یا ان کے پراکسی کو اجلاس میں شرکت کے وقت شناختی متنازعہ کے لیے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔ پراکسی کا فارم بمعہ CNIC کی تصدیق شدہ کاپی یا اصل مالک کے پاسپورٹ کی کاپی مقررہ وقت کے اندر بینک کے پاس جمع کرنا چاہیے، جس میں دو امینداری گواہی ہونی چاہیے جن کے نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی مسترد داد / پاور آف اٹارنی نمونہ کے دستخط کے ساتھ جمع کرائی جائے گی (اگر یہ بینک کو پراکسی فارم کے ساتھ پہلے فراہم نہ کی گئی ہو)۔

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The Company Secretary

BankIslami Pakistan Limited

11th Floor, Executive Tower,
Dolmen City, Marine Drive,
Clifton Block - 4,
Karachi, Pakistan

سی ڈی سی / آر ٹی اے / بی آئی پی ایل / ایئر / 17

تاریخ

فولیو نمبر:

مالک حصص کا نام:

باپ / شوہر کا نام:

پتہ:

نقد منافع منقسمہ کی ادائیگی کے لیے بینک اکاؤنٹ کی تفصیلات

(کمپنیز ایکٹ 2017 کے مطابق لازمی)

محترم مالک حصص

اس کا مقصد آپ کو مطلع کرنا ہے کہ کمپنیز ایکٹ 2017 کی دفعہ 242 کے مطابق، نقد منافع منقسمہ کی ادائیگی صرف برقی ذرائع سے مستحق حصص مالک کے نامزد اکاؤنٹ میں براہ راست کردی جائے گی۔ براہ کرم یہ نوٹ فرمائیں کہ نقد منافع منقسمہ کی ادائیگی کے لیے بینک کو لازمی اختیار حاصل ہے۔ ریگولیٹری قوانین پر عملدرآمد اور آپ کے بینک اکاؤنٹ میں منافع کی رقم کی براہ راست کریڈٹ کی سہولت کے حصول کے لیے آپ سے درج ذیل معلومات کی فراہمی کی درخواست کی جاتی ہے۔

حصص مالک کی تفصیلات

حصص مالک کا نام

فولیو نمبر

قومی شناختی کارڈ نمبر

حصص مالک کا موبائل نمبر

حصص مالک کا لینڈ لائن ٹیلیفون نمبر (اگر کوئی ہے تو)

بینک اکاؤنٹ کی تفصیلات

بینک اکاؤنٹ کا عنوان (ٹائٹل)

بین الاقوامی بینک اکاؤنٹ نمبر (IBAN) "لازمی" (24 ہندسے)

برائے مہربانی اپنی متعلقہ برانچ سے مشاورت کے بعد اپنا درست IBAN نمبر فراہم کریں کیونکہ دینے گئے IBAN نمبر میں کسی غلطی یا غفلت کی صورت میں آپ کے نقد منافع منقسمہ کی ادائیگی میں کسی تاخیر یا کسی نقصان کے لیے کمپنی کسی بھی صورت سے ذمہ دار نہیں ہوگی۔

بینک کا نام

برانچ کا نام اور پتہ

یہ کہا گیا ہے کہ درج بالا بیان کردہ معلومات درست ہیں اور ان میں کسی تبدیلی کی صورت میں، میں / ہم اس کے مطابق فوری طور پر شرکاء / شیئرز رجسٹرار کو آگاہ کریں گے۔

مالک حصص کے دستخط

آپ سے درخواست کی جاتی ہے کہ مکمل پُر کئے گئے اس خط کی نقول اپنے باضابطہ دستخط اور قابل اطلاق قومی شناختی کارڈ کی تصدیق شدہ نقول کے ساتھ ہمارے شیئرز رجسٹرار کو ہمارے دفتر کے پتے پر شیئرز رجسٹرار، بینک اسلامی پاکستان، سی ڈی سی ہاؤس، 99-بی، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی۔ 74000 پر جمع کرائیں۔

آپ کا تخلص

سی ڈی شیئرز رجسٹرار سروسز لمیٹڈ

نوٹ: یہ ایک سسٹم کا تخلیق کردہ خط ہے جسے کسی دستخط کی کوئی ضرورت درکار نہیں ہے۔

Bank Account Details for Payment of Cash Dividend
(Mandatory Requirement as per the Companies Act, 2017)

Dear Shareholder,

This is to inform you that in accordance with the Section 119 of the Companies Act, 2017 and Regulation 47 of The Companies Regulation, 2024 providing mandatory information such as CNIC number, updated mailing address, email address, mobile/telephone number and International Bank Account Number (IBAN) is mandatory.

In pursuance of the direction given by Securities and Exchange Commission of Pakistan (SECP), kindly immediately contact your relevant CDC Participant/CDC Investor Account Services Department and provide them your bank mandate information including International Bank Account Number (IBAN) which is now mandatory for all cash dividend payments.

Kindly also ensure that the title of IBAN / Bank Account must be in your name.

Regards,

CDC Share Registrar Services Limited
Share Registrar: BANKISLAMI PAKISTAN LIMITED

Note: This letter is computer generated and does not require any signature.

کیش ڈیویڈنڈ کی ادائیگی کے لیے بینک اکاؤنٹ کی تفصیلات
(کمپنی ایکٹ، 2017 کے مطابق لازمی ضرورت)

معزز شیئر ہولڈر،

یہ آپ کو مطلع کرنے کے لیے ہے کہ کمپنی ایکٹ 2017 کے سیکشن 119 اور کمپنیز ریگولیشن 2024 کے ضابطہ 47 کے مطابق لازمی معلومات جیسے کمپیوٹرائزڈ قومی شناختی کارڈ نمبر، اپ ڈیٹ شدہ میل ایڈریس، ای میل ایڈریس، موبائل / ٹیلی فون نمبر اور انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) فراہم کرنا لازمی ہے۔

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے دی گئی ہدایت کی تعمیل میں، براہ کرم فوری طور پر اپنے متعلقہ سی ڈی ایس پارٹنر / سی ڈی سی انوسٹر اکاؤنٹ سروسز ڈیپارٹمنٹ سے رابطہ کریں اور انہیں اپنے بینک میں ڈیٹ کی معلومات بشمول انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) فراہم کریں جو اب تمام نقد ڈیویڈنڈ کی ادائیگیوں کے لیے لازمی ہے۔

برائے مہربانی یہ بھی یقینی بنائیں کہ IBAN / بینک اکاؤنٹ کا عنوان آپ کے نام پر ہونا چاہیے۔

نیک تمنائوں کے ساتھ

سی ڈی سی شیئر جسٹار سروسز لمیٹڈ
شیئر جسٹار: بینک اسلامی پاکستان لمیٹڈ

نوٹ: یہ خط کمپیوٹر سے تیار کیا گیا ہے اور اس پر کسی دستخط کی ضرورت نہیں ہے۔

SHAREHOLDER INFORMATION / REGULATORY COMPLIANCE DISCLOSURE FOR CONVERSION OF PHYSICAL SHARE OF BANKISLAMI PAKISTAN LIMITED INTO BOOK ENTRY FORM AND TO UPDATE THE MANDATORY BANK ACCOUNT AND OTHER DETAILS.

With reference to the provisions of Section 72 of the Companies Act, 2017, Securities and Exchange Commission of Pakistan, through its letter No. CSD/ED/MISC/2016-639-640 dated March 26, 2021, has required listed companies to replace the existing physical shares issued by them into Book Entry Form. In compliance to regulatory requirement, shareholders of BankIslami Pakistan Limited holding physical share certificates are requested to convert their physical shares certificates into Book Entry Form. Shareholders who have not yet collected their unclaimed physical share certificates are requested to collect from Bank's Share Registrar and also convert it in book entry form in compliance to regulatory requirement. Shareholders of Bank may contact their Broker (a PSX member), CDC Participant or CDC Investor Account Services Department of Central Depository Company of Pakistan Limited for assistance in opening CDC Account. The aforementioned conversion will benefit to shareholders i.e readily available share(s) for sale and purchase at better rates; instant credit of entitlements (bonus shares and rights shares); and eliminate the risk of loss of shares, etc.

Further, pursuant to Section 242 of the Companies Act, 2017, SECP S.R.O 421(1)/2018 dated April 02 2018, and SECP letter No. CL/CSD/MISC/2014-30 March 19, 2021, it is mandatory for the listed companies to pay Cash Dividend to their Shareholders only through electronic mode directly into Shareholders' Bank Account, instead of issuing physical Dividend Warrants. Shareholders those who have not yet provided the IBAN are requested to contact the Bank's share registrar at the below address or Broker (a PSX member), Participant/Investor Account Services of Central Depository Company of Pakistan Limited (as the case may be) and provide complete bank details and comply regularity requirement.

According to Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile / telephone number, International Bank Account Number (IBAN), etc. to Bank's Share Registrar at their below address immediately to avoid implying penalties, deadlines or consequences statements.

**CDC Share Registrar Services Limited, Head Office,
CDC House, 99-B, Block "B", S.M.C.H.S. Main Shahrah-e-Faisal
Karachi-74400 Tel: (92) 0800-23275 Fax: (92-21) 34326053
URL: www.cdcsrsl.com, Email: info@cdcsrsl.com**

BankIslami

BankIslami Pakistan Limited

11th Floor, Executive Tower, Dolmen City,
Marine Drive, Block-4, Clifton, Karachi.

Phone Number: 021-111 475 264

Email: contact.center@bankislami.com.pk

