



INDEPENDENT AUDITOR'S REPORT

To the members of Meezan Exchange Company (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Meezan Exchange Company (Private) Limited (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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 Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report but does not include the financial statements and our auditor's report 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with 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 for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.



A.F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: February 20, 2026

UDIN: AR202510068UmMgp7QZy

MEEZAN EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 -----
ASSETS			
Non-current assets			
Property and equipment	4	112,513	55,844
Intangible assets	5	4,385	6,334
Right-of-use asset	6	3,794	5,059
Long term deposit		75	75
Long term investment	7	-	159,564
Total non-current assets		120,767	226,876
Current assets			
Advance and prepayments	8	3,294	4,395
Advance tax - net of provision	9	3,850	2,903
Short term investments	10	261,564	594,218
Cash and bank balances	11	669,070	227,214
Total current assets		937,778	828,730
TOTAL ASSETS		<u>1,058,545</u>	<u>1,055,606</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and reserves			
Authorised share capital	12	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid up share capital	12	1,000,000	1,000,000
Revenue reserves			
Unappropriated profit		31,436	30,600
TOTAL EQUITY		<u>1,031,436</u>	<u>1,030,600</u>
LIABILITIES			
Non-current liabilities			
Lease liability against right-of-use asset	14	3,618	4,814
Deferred taxation - net	13	-	-
Total non-current liabilities		3,618	4,814
Current liabilities			
Current portion of lease liability against right-of-use asset	14	1,196	883
Accrued expenses and other payables	15	22,295	19,309
Total current liabilities		23,491	20,192
TOTAL LIABILITIES		27,109	25,006
TOTAL EQUITY AND LIABILITIES		<u>1,058,545</u>	<u>1,055,606</u>
CONTINGENCIES AND COMMITMENTS			
	16		

The annexed notes 1 to 33 and annexure I form an integral part of these financial statements.

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 CHIEF EXECUTIVE OFFICER


 DIRECTOR

MEEZAN EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025

	For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
Note	----- (Rupees in '000) -----	
Income from exchange operations - net	17 112,493	19,943
Cost of services	18 (98,857)	(25,544)
Gross profit / (loss)	<u>13,636</u>	<u>(5,601)</u>
Administrative expenses	19 (53,101)	(23,373)
Reversal of credit loss allowance on cash and bank balances	-	559
Other income	20 54,748	73,203
Operating profit	<u>15,283</u>	<u>44,788</u>
Finance cost on lease liability against right-of-use asset	(737)	(454)
Provision for Sindh Worker's Welfare Fund	(291)	(892)
Profit before levy and taxation	<u>14,255</u>	<u>43,442</u>
Levy	21 (9,367)	(20,026)
Profit before taxation	<u>4,888</u>	<u>23,416</u>
Taxation	22 (4,052)	(286)
Profit after taxation for the year / period	<u><u>836</u></u>	<u><u>23,130</u></u>
	----- (Rupees) -----	
Earnings per share - basic and diluted	23 <u>0.08</u>	<u>2.31</u>

The annexed notes 1 to 33 and annexure I form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

**MEEZAN EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025**

For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
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----- (Rupees in '000) -----

Profit after taxation for the year / period	836	23,130
Other comprehensive income for the year / period	-	-
Total comprehensive income for the year / period	836	23,130

The annexed notes 1 to 33 and annexure I form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

**MEEZAN EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Issued, subscribed and paid up share capital	Revenue Reserve	Total equity
		Unappropriated profit	
----- (Rupees in '000) -----			
Balance as at November 14, 2023	-	-	-
Transaction with owners recorded directly in equity			
Issuance of ordinary shares	1,000,000	-	1,000,000
Total comprehensive income for the period ended June 30, 2024	-	7,470	7,470
Balance as at June 30, 2024	<u>1,000,000</u>	<u>7,470</u>	<u>1,007,470</u>
Total comprehensive income for the period ended December 31, 2024	-	23,130	23,130
Balance as at December 31, 2024	<u>1,000,000</u>	<u>30,600</u>	<u>1,030,600</u>
Total comprehensive income for the year ended December 31, 2025	-	836	836
Balance as at December 31, 2025	<u><u>1,000,000</u></u>	<u><u>31,436</u></u>	<u><u>1,031,436</u></u>

The annexed notes 1 to 33 and annexure I form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

MEEZAN EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Note	For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
	4,888	23,416
Profit before taxation		
Adjustments for:		
	13,327	4,373
18 & 19	2,302	887
	1,265	633
18 & 19	9,367	20,026
21	(18,822)	(15,816)
20	(18,645)	(55,402)
20	(2,520)	-
20	(36)	-
	(226)	-
	-	(559)
	610	117
	291	892
14.1	737	454
	(12,350)	(44,395)
	(7,462)	(20,979)
Operating cash flows before working capital changes		
Decrease in current assets		
	1,101	2,922
	1,101	2,922
Increase / (decrease) in current liabilities		
	2,695	(68,438)
	(3,665)	(86,495)
Taxes and levy paid		
	(14,366)	(4,955)
Net cash used in operating activities		
	(18,031)	(91,450)
CASH FLOWS FROM INVESTING ACTIVITIES		
	(71,124)	(8,618)
	(353)	-
	1,164	-
	615,383	120,000
	17,448	16,529
Net cash generated from investing activities		
	562,518	127,911
CASH FLOWS FROM FINANCING ACTIVITIES		
14.1	(1,620)	-
Net cash used in financing activities		
	(1,620)	-
Net increase in cash and cash equivalent during the year / period		
	542,867	36,461
Cash and cash equivalents at beginning of the year / period		
	227,214	190,311
Impact of expected credit loss allowance on cash and cash equivalent during the year / period		
	-	559
Impact of exchange loss on bank balances on cash and cash equivalent during the year / period		
	(610)	(117)
Cash and cash equivalents at end of the year / period		
24	769,471	227,214

The annexed notes 1 to 33 and annexure I form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER


DIRECTOR

MEEZAN EXCHANGE COMPANY (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Exchange Company (Private) Limited (the Company) was incorporated in Pakistan on November 14, 2023, as a private limited company under the Companies Act, 2017. The Company obtained license for commencement of operations from the State Bank of Pakistan (SBP) on March 22, 2024. The Company is required to operate in accordance with the rules and regulations laid down by the State Bank of Pakistan (SBP) through Foreign Exchange Circular No. 9 dated July 30, 2002.
- 1.2 The registered office of the Company is situated at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan. The head office of the Company is situated at office No. 3, Upper ground floor, Trade Tower, Abdullah Haroon Road, Karachi.
- 1.3 The Company is a wholly owned subsidiary of Meezan Bank Limited (the "Parent Entity"), which holds 100% shares (either directly or through its nominees) in the Company.
- 1.4 The Company commenced its operations on May 14, 2024 and is engaged in the business of dealing in foreign exchange and currency export operations. The Company operates with 50 branches (2024: 14 branches). The addresses of all branches are annexed as "Annexure I", which is an integral part of these financial statements.
- 1.5 The comparative information presented in these financial statements is based on the audited financial statements of the Company for the period from July 01, 2024 to December 31, 2024 as the Company changed its financial year from June to December in the prior period. Accordingly the comparative information is not comparable.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017
- Provisions of, directives and notifications issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan (SECP).

Whenever the provisions of, directives and notifications the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS, the requirements of the Companies Act, 2017 and the said directives, shall prevail.

2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective:

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on January 1, 2025. However, these are not considered to be relevant or did not have any material effect on the Company's financial statements and have, therefore, not been disclosed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after January 1, 2026. However, these are not considered to be relevant or did not have any material effect on the Company's financial statement except for:

- The new standard - IFRS 18 'Presentation and Disclosure in the Financial statements' (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'statement of profit or loss' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' clarify the timing of recognition and derecognition of certain financial instruments including settlement of liabilities through banking instruments and channels including electronic transfers. Further, guidance on the SPPI assessment, and disclosure requirements for instruments with cash flow modifying features and equity instruments designated at FVOCI has also been amended. These amendments are effective from January 1, 2026. The amendment when applied may impact the accounting and presentation of the financial instruments.

The management is currently in the process of assessing the impact of these amendments on the financial statements of the Company.

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2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the accounting policies below.

2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.5 Critical accounting estimates and judgments

The preparation of the financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the application of the Company's accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that period, or in the period of revision and future period if the revision affects both the current and future period. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in the application of accounting policies are as follows:

- i) Residual values, useful lives and depreciation rates of property and equipment (notes 3.1 and 4);
- ii) Useful lives and amortisation of intangible assets (notes 3.3 and 5);
- iii) Determination of lease term and incremental rate for lease contracts of properties used and valuation of right-of-use assets and their related lease liability (notes 3.4, 6 and 14);
- iv) Impairment of non-financial assets (note 3.18);
- v) Classification, valuation and impairment of financial assets (notes 3.5.1.1 and 3.5.1.2);
- vi) Assumptions and estimations in recognition of current tax and deferred taxation (notes 3.6 and 14); and
- vii) Provisions and contingent liabilities (notes 3.16 and 3.17).

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the presentation of these financial statements are set out below:

3.1 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to statement of profit or loss over the estimated useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 4.1 to the financial statements. Depreciation is charged on additions from the month the asset is available for use, while no depreciation is charged for the month in which the asset is derecognised / disposed off.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Property and equipment is derecognised when disposed or when no future economic benefits are expected from its use. Gain or loss on disposal is recognised in the statement of profit or loss as and when incurred.

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

All repairs and maintenance costs that do not meet the recognition criteria are charged to the statement of profit or loss during the year in which they are incurred.

Gains or losses on disposal of property and equipment, if any, are included in the statement of profit or loss.

3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when assets become available for use.

3.3 Intangible assets

Intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation is charged from the month when these assets are available for use on a straight-line basis over its estimated useful life as stated in note 5.1. The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

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3.4 Right-of-use asset and lease liability

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty to exercise extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase an underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right of use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions, the same is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that commensurate with the standalone price for the increase in scope adjusted to reflect the circumstances of the particular contract, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight line method in accordance with the rates specified in note 6 to these financial statements and after taking into account residual values, if any. The useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. The right of use asset is adjusted for certain remeasurements of the lease liability.

3.6 Financial instruments

3.5.1 Financial assets

3.5.1.1 Classification and subsequent measurement

The Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-end mutual funds.

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Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

a) **At amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated as FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3.5.1.2.

b) **Fair value through other comprehensive income (FVOCI):**

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated as FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognised and measured as described in note 3.5.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss.

c) **Fair value through profit or loss (FVPL):**

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

(ii) **Equity Instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of financial position at fair value, with gains and losses recognised in the statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI is recognised in the statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the statement of profit or loss on derecognition.

3.5.1.2 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company considers that a financial asset other than balances with banks is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. For balances with bank the ECL is based on external ratings. Further, financial assets are written off by the Company, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.5.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the Company transfers substantially all the risks and rewards of ownership; or
- (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

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When the Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards, these transactions are accounted for as 'pass through' transfers that result in derecognition if the Company:

- (i) has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) is prohibited from selling or pledging the assets; and
- (iii) has an obligation to remit any cash it collects from the assets without material delay.

Any gain or loss on derecognition of financial assets is taken to the statement of profit or loss.

3.5.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.5.2 Financial liabilities

Financial liabilities are measured at fair value upon initial recognition and subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

3.5.2.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial liabilities is taken to the statement of profit or loss.

3.5.3 Initial recognition

Financial assets and financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss.

3.5.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5.5 Business model

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

3.5.6 Solely payment of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

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3.6 Taxation - Levy and income tax

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

Income Tax

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In which case, the tax is also recognised in OCI or directly in equity.

Current

Provision for current tax is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred taxation is recognised using the balance sheet liability method on all temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised only to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates that have been enacted or substantially enacted by the end of the reporting period.

3.7 Impairment of non-financial assets

The carrying amount of the assets is reviewed at each reporting date to determine whether there is any indication of impairment loss. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in the statement of profit or loss.

3.8 Security deposit and profit receivables

Security deposit and profit receivables are carried at amortised cost, less expected credit loss allowance determined in accordance with the accounting policy as mentioned in note 3.5.1.2.

3.9 Accrued expenses and other payables

Liabilities for accrued expenses and other payables are carried at cost, which is the fair value of consideration to be paid in the future for goods and services whether or not billed to the Company.

3.10 Revenue recognition

The Company is in the business of providing service of dealing in foreign currency. Revenue from contracts with customers is recognised at a point in time when the service is provided to the customer at an amount that reflects the net consideration to which the Company expects to be entitled in exchange for the service.

The Company recognises revenue based on the following principles:

- identification of customer contracts;
- identification of performance obligations;
- determination of transaction price in the contract;
- allocation of price to performance obligations; and
- recognition of revenue when the performance obligations are fulfilled.

Revenue from services

- Exchange income is recognised at the time of recording of an exchange transaction.
- Exchange differences on translation of monetary assets and liabilities in foreign currencies are recognised as gain / (loss) on revaluation at the end of each day.

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Return on financial assets

- Income on investments is recognised using the effective yield method over the term of investment.
- Income on savings account is recognised on effective yield method.
- Dividend income is recognised in the statement of profit or loss when the Company's right to receive payment has been established.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost less credit loss allowance at amortised cost. These include cash in hand, balances with banks in savings accounts and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Investments normally only qualify as cash and cash equivalents if they have an original maturity of three months or less.

3.12 Foreign currencies

Transactions in foreign currencies are translated into Pakistani rupees at the exchange rates prevailing on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

3.13 Earnings per share

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

3.14 Advances and prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each statement of financial position date to determine whether there is an indication that an asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.15 Share capital and reserves

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Revenue reserves comprise of unappropriated profit. The purpose of general reserves includes, but not limited to, fulfilling various business needs like meeting contingencies, offsetting future losses, enhancing the working capital, etc.

3.16 Provisions

Provisions are recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of past event 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. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.17 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.18 Impairment of non-financial assets

The carrying amount of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

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4	PROPERTY AND EQUIPMENT	Note	2025	2024
			(Rupees in '000)	
	Property and equipment	4.1	111,074	55,844
	Capital work-in-progress	4.2	1,439	-
			<u>112,513</u>	<u>55,844</u>

4.1 Property and equipment

	December 31, 2025									
	Cost			Accumulated depreciation				Net book value as at December 31, 2025	Rate of depreciation (% per annum)	
	As at January 1, 2025	Additions	Disposal	As at December 31, 2025	As at January 1, 2025	Charge for the year	Disposal			As at December 31, 2025
	(Rupees in '000)									
Leasehold improvements	19,828	36,386	-	56,224	1,238	4,023	-	5,261	60,963	10%
Furniture and fixtures	4,875	3,016	-	7,891	384	540	-	924	6,967	10%
Office equipments	9,581	11,213	-	20,794	620	1,619	-	2,239	18,555	10%
Computer equipments	27,733	19,060	(1,440)	45,353	3,931	7,145	(312)	10,764	34,589	20%
Total	<u>62,017</u>	<u>69,685</u>	<u>(1,440)</u>	<u>130,262</u>	<u>6,173</u>	<u>13,327</u>	<u>(312)</u>	<u>19,188</u>	<u>111,074</u>	

	December 31, 2024									
	Cost			Accumulated depreciation				Net book value as at December 31, 2024	Rate of depreciation (% per annum)	
	As at July 1, 2024	Additions	Disposal	As at December 31, 2024	As at July 1, 2024	Charge for the period	Disposal			As at December 31, 2024
	(Rupees in '000)									
Leasehold improvements	15,844	3,984	-	19,828	293	945	-	1,238	18,590	10%
Furniture and fixtures	4,301	574	-	4,875	143	241	-	384	4,491	10%
Office equipments	6,508	3,073	-	9,581	162	458	-	620	8,961	10%
Computer equipments	26,746	987	-	27,733	1,202	2,729	-	3,931	23,802	20%
Total	<u>53,399</u>	<u>8,618</u>	<u>-</u>	<u>62,017</u>	<u>1,800</u>	<u>4,373</u>	<u>-</u>	<u>6,173</u>	<u>55,844</u>	

4.2 Capital work-in-progress:

	2025	2024
	(Rupees in '000)	
Office equipment	437	-
Computers	954	-
Furniture and fixtures	48	-
	<u>1,439</u>	<u>-</u>

4.3 Movement in capital work-in-progress is as follows:

Balance at the beginning of the year / period	-	-
Additions during the year / period	1,439	-
Transferred to property and equipment during the year / period	-	-
Balance at end of the year / period	<u>1,439</u>	<u>-</u>

For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024

4.4 Depreciation charge for the year / period has been allocated as follows:

	2025	2024
	(Rupees in '000)	
Cost of services	18	12,127
Administrative expenses	19	1,200
		<u>13,327</u>
		<u>4,373</u>

5 INTANGIBLE ASSETS

	Note	2025	2024
		(Rupees in '000)	
Software		4,385	5,592
Licensing fee		-	742
	5.1	<u>4,385</u>	<u>6,334</u>

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5.1

	December 31, 2025									Rate of amortisation (% per annum)
	Cost			Accumulated amortisation				Net book value as at December 31, 2025		
	As at January 1, 2025	Additions	Disposal	As at December 31, 2025	As at January 1, 2025	Charge for the year	Disposal			
	(Rupees in '000)									%
Software	6,642	353	-	6,995	1,050	1,560	-	2,610	4,385	20.00% - 33.33%
Licensing fee*	1,000	-	-	1,000	258	742	-	1,000	-	-
	<u>7,642</u>	<u>353</u>	<u>-</u>	<u>7,995</u>	<u>1,308</u>	<u>2,302</u>	<u>-</u>	<u>3,610</u>	<u>4,385</u>	

	December 31, 2024									Rate of amortisation (% per annum)
	Cost			Accumulated amortisation				Net book value as at December 31, 2024		
	As at July 1, 2024	Additions	Disposal	As at December 31, 2024	As at July 1, 2024	Charge for the period	Disposal			
	(Rupees in '000)									%
Software	6,642	-	-	6,642	329	721	-	1,050	5,592	20.00% - 33.33%
Licensing fee	1,000	-	-	1,000	92	166	-	258	742	33.33%
	<u>7,642</u>	<u>-</u>	<u>-</u>	<u>7,642</u>	<u>421</u>	<u>887</u>	<u>-</u>	<u>1,308</u>	<u>6,334</u>	

* Licensing fee was initially being amortised over the tenure of three years as the same was issued by the SBP for three years and was subject to renewal. However, during the current year, the SBP issued a revised license for indefinite life. Accordingly, the Company has charged off the remaining amount of Rs 0.74 million in the statement of profit or loss during the current year.

5.2 Amortisation charge for the year / period has been allocated as follows:

	Note	For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
		(Rupees in '000)	
Cost of services	18	2,122	746
Administrative expenses	19	180	141
		<u>2,302</u>	<u>887</u>

6 RIGHT-OF-USE ASSET

	December 31, 2025									Lease term (In years)
	Cost			Accumulated depreciation				Net book value as at December 31, 2025		
	As at January 1, 2025	Addition	Disposal	As at December 31, 2025	As at January 1, 2025	Charge for the year	Disposal			
	(Rupees in '000)									
Right-of-use asset	6,324	-	-	6,324	1,265	1,265	-	2,530	3,794	5 years

	December 31, 2024									Lease term (In years)
	Cost			Accumulated depreciation				Net book value as at December 31, 2024		
	As at July 1, 2024	Addition	Disposal	As at December 31, 2024	As at July 1, 2024	Charge for the period	Disposal			
	(Rupees in '000)									
Right-of-use asset	6,324	-	-	6,324	632	633	-	1,265	5,059	5 years

6.1 Depreciation charge for the year / period has been allocated as follows:

	Note	For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
		(Rupees in '000)	
Cost of services	18	632	316
Administrative expenses	19	633	317
		<u>1,265</u>	<u>633</u>

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	Note	2025 ----- (Rupees in '000) -----	2024
7 LONG TERM INVESTMENT			
Ijarah sukuk - held at amortised cost		-	159,564
		<u>-</u>	<u>159,564</u>
8 ADVANCE AND PREPAYMENTS			
Advance for branch license fee		-	1,800
Prepaid takaful		2,890	2,450
Prepaid expenses - others		353	145
Advance for expenses		51	-
		<u>3,294</u>	<u>4,395</u>
9 ADVANCE TAX - NET OF PROVISION			
Advance income tax and levy		32,902	21,233
Provision for levy and taxation		(29,052)	(18,330)
		<u>3,850</u>	<u>2,903</u>
10 SHORT TERM INVESTMENTS			
Special musharakah certificates - held at amortised cost	10.1	100,000	-
Profit accrued on special musharakah certificates		401	-
Units of open ended mutual fund - held at fair value through profit and loss	10.2	-	592,634
Ijarah sukuk - held at amortised cost	10.3, 10.4 & 10.5	159,789	-
Profit accrued on ijarah sukuk		1,374	1,584
		<u>261,564</u>	<u>594,218</u>

10.1 These certificates are placed with Meezan Bank Limited - a related party and carry profit at the rate ranging from 9.40% to 9.75% per annum.

10.2 Units of open ended mutual fund

Particular	As at January 1, 2025	Purchased during the year	Dividend re-invest during the year	Redeemed during the year	As at December 31, 2025	As at December 31, 2025		
						Carrying value	Market value	Unrealised appreciation
Number of units						(Rupees in '000)		
Meezan Rozana Amdani Fund	11,852,673	19,506,664	372,807	31,732,244	-	-	-	-
Meezan Cash Fund	-	27,800,997	-	27,800,997	-	-	-	-
As at December 31, 2025								

Particular	As at July 1, 2024	Purchased during the period	Dividend re-invest during the period	Redeemed during the period	As at December 31, 2024	As at December 31, 2024		
						Carrying value	Market value	Unrealised appreciation
Number of units						(Rupees in '000)		
Meezan Rozana Amdani Fund	13,421,709	-	830,964	2,400,000	11,852,673	592,634	592,634	-
As at December 31, 2024						592,634	592,634	-

10.3 This carry profit at the rate of 10.79% (2024: 12.61%) per annum, receivable on semi-annual basis and will mature on December 4, 2026.

10.4 These investments have been deposited with the State Bank of Pakistan to meet the Statutory Liquidity Reserve (SLR) requirement under Para 2, Chapter 3 of Regulatory Framework for Exchange Companies.

10.5 The market value of Ijarah sukuk as at December 31, 2025 amounted to Rs.160.35 million (December 31, 2024: Rs. 163.44 million).

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11 CASH AND BANK BALANCES	Note	2025 ----- (Rupees in '000) -----	2024
Balances with bank in:			
- savings account - in local currency	11.1	67,013	44,910
- savings accounts - in foreign currencies		335,266	43,938
- current account - in local currency		8	-
Profit accrued on savings accounts with bank		698	200
Cash in hand			
- local currency		38,940	31,094
- foreign currencies		227,755	107,189
		<u>669,680</u>	<u>227,331</u>
Less : Revaluation loss against cash and bank balances		(610)	(117)
Credit loss allowance on cash and bank balances		-	-
		<u>669,070</u>	<u>227,214</u>

11.1 These carry expected profit at the rate ranging from 2.00% to 6.70% (2024: 0.28% to 5.87%) per annum maintained with Meezan Bank Limited, a related party.

12 SHARE CAPITAL

12.1 Authorised share capital

2025	2024	2025	2024
---- (Number of shares) ----		----- (Rupees in '000) -----	
<u>10,000,000</u>	<u>10,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Ordinary shares of Rs. 100 each			

12.2 Issued, subscribed and paid-up capital

2025	2024	2025	2024
---- (Number of shares) ----		----- (Rupees in '000) -----	
<u>10,000,000</u>	<u>10,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Ordinary shares of Rs 100 each issued as fully paid in cash			

12.3 Particulars of the shareholders

	2025		2024	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
Meezan Bank Limited	9,999,995	100.00%	9,999,995	100.00%
Directors*	5	-	5	-
	<u>10,000,000</u>	<u>100.00%</u>	<u>10,000,000</u>	<u>100.00%</u>

* Nil due to rounding off

12.4 Voting rights, board selection, right of first refusal and block voting are in proportion of the shareholding.

12.5 The minimum authorised and paid-up capital of an exchange company as required by the State Bank of Pakistan is Rs. 1,000 million vide its FE Circular letter No. 02 of 2024. The Minimum Capital Requirement has been calculated as paid-up capital less accumulated losses.

13 DEFERRED TAXATION - NET

	2025 ----- (Rupees in '000) -----	2024
Deferred tax liabilities arising on taxable temporary differences:		
- Property and equipment	8,940	5,799
- Intangible assets	-	6
- Right-of-use asset	1,100	1,467
- Investments	124	59
	10,164	7,331
Deferred tax asset arising on deductible temporary differences:		
- Lease liability against right-of-use asset	(1,396)	(1,652)
- Provision for SWWF	(421)	(337)
- Pre-commencement expenses	(861)	(1,292)
- Alternative corporate tax u/s 113C / Minimum tax u/s 113 and business losses	(7,309)	(4,050)
	(10,164)	(7,331)
	<u>-</u>	<u>-</u>

13.1 As at December 31, 2025, the Company has an aggregate deferred tax asset arising on business losses amounting to Rs. 28.96 million (2024: Rs. 18.15 million). The Company has opted for recognising deferred tax asset on deductible temporary differences only to the extent of taxable temporary differences.

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14 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSET

It represents an obligation in respect of right-of-use asset (Head office and branch premises) leased through tenancy agreement for a period of five years at an incremental borrowing rate of 18.08% (December 31, 2024: 18.08%) per annum which has been used as a discounting factor. Rentals are payable annually in advance as per terms of the tenancy agreements.

The amount of future payments for the lease and the period in which these payments will become due are as follows:

	2025	2024
	----- (Rupees in '000) -----	
Present value of minimum lease payments	4,814	5,697
Less: current portion	(1,196)	(883)
	<u>3,618</u>	<u>4,814</u>

	2025		2024	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	----- (Rupees in '000) -----			
Not later than one year	1,750	1,196	1,620	883
Later than one year but not later than five years	3,930	3,618	5,680	4,814
	<u>5,680</u>	<u>4,814</u>	<u>7,300</u>	<u>5,697</u>
Finance cost allocated to future periods	(866)	-	(1,603)	-
Present value of minimum lease payments	4,814	4,814	5,697	5,697
Less: current portion	(1,196)	(1,196)	(883)	(883)
	<u>3,618</u>	<u>3,618</u>	<u>4,814</u>	<u>4,814</u>

14.1 Movement of lease liability against right-of-use asset	Note	2025	2024
		----- (Rupees in '000) -----	
Balance at the beginning of the year / period		5,697	5,243
Addition during the year / period		-	-
Finance cost during the year / period		737	454
Rental paid during the year / period		(1,620)	-
Balance at the end of the year / period		<u>4,814</u>	<u>5,697</u>

15 ACCRUED EXPENSES AND OTHER PAYABLES

Payable to Meezan Bank Limited - a related party	15.1	8,236	7,836
Withholding tax payable		97	174
Audit fee payable		2,970	2,549
Other payable		6,365	7,354
Accrued expenses		900	235
EOBI Payable		275	-
Provision for Sindh Workers' Welfare Fund		1,452	1,161
		<u>22,295</u>	<u>19,309</u>

15.1 This represents amount payable on account of reimbursement of assets purchased, cost of outsourcing services and employees from Meezan Bank Limited and rent for exchange booth located in different branches.

16 CONTINGENCIES AND COMMITMENTS

16.1 There were no contingencies and commitments as at December 31, 2025 and December 31, 2024.

		For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
		----- (Rupees in '000) -----	
17 INCOME FROM EXCHANGE OPERATIONS - NET	Note		
Income from exchange operations - net	17.1	<u>112,493</u>	<u>19,943</u>

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- 17.1 This represents income from sale and purchase of foreign currencies and unrealised revaluation loss amounting to Rs. 112.49 and 0.61 million respectively (July 01, 2024 to December 31, 2024: 19.83 and 0.18 million).

	Note	For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
		----- (Rupees in '000) -----	
18 COST OF SERVICES			
Salaries, allowances and other benefits		53,712	12,787
Branch licensing and relocation fee		2,350	200
Depreciation on property and equipment		12,127	3,676
Amortisation on intangible assets		2,122	746
Depreciation on right-of-use asset		632	316
Utilities		6,633	408
Office supplies		53	597
Takaful expense		7,381	3,201
Rent and taxes		5,771	3,111
Network charges		1,431	310
Communication charges		933	190
Cash transportation and shipment expense		5,712	2
		<u>98,857</u>	<u>25,544</u>
19 ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits		25,149	8,986
Depreciation on property and equipment		1,200	697
Amortisation on intangible assets		180	141
Depreciation on right-of-use asset		633	317
Utilities		917	1,649
Office supplies		101	121
Network charges		617	886
Cost of outsourcing		3,452	2,555
Legal and professional charges		1,640	268
CDC Charges		120	-
Printing and stationery		2,193	577
Auditors' remuneration	19.1	2,657	2,549
Entertainment		477	146
Directors' fees	26	360	150
Office security charges		2,477	748
Software maintenance		5,690	1,809
Repair and maintenance		686	534
Janitorial services		526	259
Advertisement expense		1,851	496
Travelling and conveyance		273	266
Bank charges		235	86
SBP Penalty		1,402	-
Other expenses		265	133
		<u>53,101</u>	<u>23,373</u>
19.1 Auditors' remuneration			
Audit fee		2,250	2,000
Out of pocket expenses		210	360
Sindh sales tax		197	189
		<u>2,657</u>	<u>2,549</u>

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		For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
		----- (Rupees in '000) -----	
20	OTHER INCOME		
	Profit earned on:		
	- Ijarah sukuk	18,822	15,816
	- savings accounts with bank	4,472	1,985
	- Special musharakah certificates	10,253	-
	Dividend income on units of open ended mutual fund	18,645	55,402
	Capital gain on redemption of units of open ended mutual fund	2,520	-
	Gain on disposal of equipment	36	-
		54,748	73,203
21	LEVY		
	Final tax u/s 5	4,661	13,851
	Final tax u/s 5 AA	21.1 4,706	6,175
		9,367	20,026

21.1 This represents final tax paid under section 5 and 5 AA of the Income Tax Ordinance, 2001, representing levy in terms of the requirements of IFRIC 21.

		For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
		----- (Rupees in '000) -----	
22	TAXATION		
	Current	1,880	286
	Prior	2,172	-
	Deferred	13 -	-
		4,052	286

22.1 The numerical reconciliation between average tax rate and the applicable tax rate for the current period has not been presented as the provision for income represents Alternative Corporate Tax as stipulated in the Income Tax Ordinance, 2001.

23 EARNINGS PER SHARE - BASIC AND DILUTED

23.1 Basic

Basic earnings per share has been computed by dividing profit for the period attributable to ordinary shareholders by the weighted average number of shares outstanding as at the period end as follows:

	For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
Profit after taxation attributable to ordinary shareholders (Rupees in '000')	836	23,130
Weighted average number of ordinary shares (number of shares)	10,000,000	10,000,000
Basic earning per share (in Rupees)	0.08	2.31

MEL

23.2 Diluted earnings per share

Diluted earning per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2025 and December 31, 2024 which would have any dilutive effect on the earnings per share if the option to convert is exercised.

24	CASH AND CASH EQUIVALENTS	Note	2025	2024
			----- (Rupees in '000) -----	
	Cash and bank balances	11	669,070	227,214
	Special musharakah certificates - held at amortised cost	10	100,401	-
			<u>769,471</u>	<u>227,214</u>
			2025	2024
			----- Number -----	
25	NUMBER OF EMPLOYEES			
	Permanent employees as at year / period end		<u>117</u>	<u>45</u>
	Average number of employees during the year / period		<u>59</u>	<u>22</u>

26 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits of Chief Executive Officer, Directors and Executives of the Company are as follows:

	For the year ended December 31, 2025				For the period from July 1, 2024 to December 31, 2024			
	Chief Executive Officer	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	----- Rupees in '000 -----							
Managerial remuneration	3,600	-	2,580	6,180	3,000	-	2,917	5,917
Allowances	-	-	1,164	1,164	-	-	304	304
Meeting fee	-	360	-	360	-	150	150	300
	<u>3,600</u>	<u>360</u>	<u>3,744</u>	<u>7,704</u>	<u>3,000</u>	<u>150</u>	<u>3,371</u>	<u>6,521</u>
Number of person(s)	<u>1</u>	<u>4</u>	<u>1</u>	<u>6</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>6</u>

26.1 Chief Executive Officer and executives have been provided with health takaful facilities.

26.2 'Executive' means an employee other than the Chief Executive Officer and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year.

26.3 Directors are entitled for remuneration for attending the board meetings which is Rs.10,000 per meeting. (2024: Rs. 50,000 per meeting).

26.4 Managerial remuneration includes charges in respect of reimbursement, to a Parent Company, of salary and other benefits, if any, paid by that Parent Company to chief executive and certain other executives as they are on secondment from the Parent Company.

27 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of Meezan Bank Limited being the Parent Company, directors and entities owned by the directors of the Company where they also hold directorships and key management personnel and their close family members and the Companies of the Group which the reporting Company is a member. Transactions with related parties are entered in the normal course of business at the agreed terms and conditions. Remuneration to key management personnel is disclosed in note 26 to the financial statements. The aggregate value of transactions and outstanding balances with related parties other than those which have been disclosed elsewhere are as follows:

Meezan

27.1 Transactions during the year / period

	For the year ended December 31, 2025	For the period from July 01, 2024 to December 31, 2024
	(Rupees in '000)	
Meezan Bank Limited - Parent Company		
Profit earned on savings accounts	4,472	1,985
Profit earned on special musharakah certificates	10,253	-
Cost of outsourcing under Service Level Agreement (SLA)	2,880	2,555
Rent expense under Service Level Agreement (SLA)	5,771	3,111
Utilities expense under Service Level Agreement (SLA)	5,621	1,838
Office supplies	-	597
Payroll expense paid for employees seconded from Meezan Bank Limited	12,867	8,694
Other expenses paid on behalf of the Company	-	13,298
Payment made to Meezan Bank Limited	19,166	72,943
Purchase of property and equipment	-	952
Buy and sale of foreign currencies under swap deals	2,061,333	714,766
Al-Meezan Investment Management Limited - Common Directorship		
Purchase of 19,506,644 units (December 31, 2024: nil) of Meezan Rozana Amdani Fund	975,334	-
Redemption and conversion of 31,732,244 units (December 31, 2024: 2,400,000 units) of Meezan Rozana Amdani Fund	1,586,612	120,000
Conversion & Purchase of 27,800,997 units (December 31, 2024: Nil) of Meezan Cash Fund	1,461,612	-
Redemption of 27,800,997 units (December 31, 2024: Nil units) of Meezan Cash Fund	1,463,511	-
Units of Meezan Rozana Amdani Fund issued under CIP 372,907 units (December 31, 2024: 830,964 units)	18,645	55,402
Mr. Muhammad Abdullah - Director		
Purchase of foreign currency	419	-
Sale of foreign currency	28,197	7,813
Mr. Zia Ul Hasan - Director		
Purchase of foreign currency	166	-
Sale of foreign currencies	28,324	11,330
Mr. Shahzad Abdullah - Director		
Purchase of foreign currency	5,239	2,813
Mr. Syed Amir Ali - Director		
Sale of foreign currency	1,505	-

27.2 Amounts outstanding as at year / period end

	2025	2024
	(Rupees in '000)	
Meezan Bank Limited - Parent Company		
Balances with bank	402,271	89,848
Payable to Meezan Bank Limited	8,236	7,836
Profit accrued on savings accounts with bank	698	200
Al-Meezan Investment Management Limited - Common Directorship		
Nil units (December 31, 2024: 11,852,673 units) held of Meezan Rozana Amdani Fund	-	592,634

Meezan

28 FINANCIAL INSTRUMENTS BY CATEGORY

	2025		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Ijarah sukuk	159,789	-	159,789
Profit accrued on ijarah sukuk	1,374	-	1,374
Special musharakah certificates	100,000	-	100,000
Profit accrued on special musharakah certificates	401	-	401
Long term deposit	75	-	75
Cash and bank balances	669,680	-	669,680
	<u>931,319</u>	<u>-</u>	<u>931,319</u>
Financial liabilities			
Lease liability against right-of-use asset	4,814	-	4,814
Accrued expenses and other payables	20,471	-	20,471
	<u>25,285</u>	<u>-</u>	<u>25,285</u>

	2024		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees in '000)		
Financial assets			
Ijarah sukuk	159,564	-	159,564
Profit accrued on ijarah sukuk	1,584	-	1,584
Units of open ended mutual fund	-	592,634	592,634
Long term deposit	75	-	75
Cash and bank balances	227,331	-	227,331
	<u>388,554</u>	<u>592,634</u>	<u>981,188</u>
Financial liabilities			
Lease liability against right-of-use asset	5,697	-	5,697
Accrued expenses and other payables	17,974	-	17,974
	<u>23,671</u>	<u>-</u>	<u>23,671</u>

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

29.1 Financial risk factors

The Company is exposed to the following in respect of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

The Board of Directors (the Board) of the Company has the overall responsibility for establishment and oversight of the Company's risk management framework. To assist the Board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposure.

29.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is mainly exposed to credit risk on long term deposit, special musharakah certificates and bank balances. The Company seeks to minimise the credit risk exposure by dealing mostly with regular and permanent parties who pay on due dates.

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The maximum exposure to credit risk at statement of financial position date is as follows:

	2025		2024	
	Balance as per statement of financial position	Maximum exposure to credit risk	Balance as per statement of financial position	Maximum exposure to credit risk
	(Rupees in '000)			
Ijarah sukuk	159,789	-	159,564	-
Profit accrued on ijarah sukuk	1,374	-	1,584	-
Long term deposit	75	75	75	75
Special musharakah certificates - held at amortised cost	100,000	100,000	-	-
Profit accrued on special musharakah certificates	401	401	-	-
Units of open ended mutual fund	-	-	592,634	592,634
Cash and bank balances	669,070	402,287	227,331	88,731
	<u>830,709</u>	<u>502,763</u>	<u>981,188</u>	<u>681,440</u>

Difference in the balance as per the statement of financial position and maximum exposure is due to the fact that long term investment in government securities is not exposed to credit risk. Further, the cash in hand is also not exposed to credit risk.

Quality of financial assets

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties, thereby mitigating any significant concentration of credit risk.

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:

- 29.2.1 The credit quality of balances with bank, its related profit receivable and investment in special musharikah certificates can be assessed with reference to external credit rating as follows:

Name of Bank	Rating Agency	Ratings	2025		2024	
			Amount	% of total credit risk balances	Amount	% of total credit risk balances
			(Rupees in '000)		(Rupees in '000)	
Meezan Bank Limited - a related party						
Bank balances			402,359	80.03%	88,931	13.05%
Special musharikah certificates	VIS	A1+ / AAA	100,000	19.89%	-	-
Profit accrued on special musharikah certificates			401	0.08%	-	-
National Bank Limited*	Pacra	A1+ / AAA	8	0.00%	-	-
			<u>502,768</u>	<u>100.00%</u>	<u>88,931</u>	<u>13.05%</u>

- 29.2.2 The credit quality of investments held in mutual funds can be assessed with reference to external credit rating as follows:

Name of mutual fund	Rating Agency	Ratings	2025		2024	
			Amount	% of total credit risk balances	Amount	% of total credit risk balances
			(Rupees in '000)		(Rupees in '000)	
Al-Meezan Investment Management Limited - a related party	PACRA	AM1	-	-	592,634	86.97%

*Nil due to rounding off

29.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet its obligations and commitments associated with financial instruments. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring future cash flows on a day-to-day basis.

The table below summaries the maturity profile of the financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

1/1/2025

		2025				
		Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years
Financial liabilities		----- Rupees in '000 -----				
Lease Liability against right-of-use asset		4,814	173	1,023	3,618	-
Accrued expenses and other payables		20,471	20,471	-	-	-
		<u>25,285</u>	<u>20,644</u>	<u>1,023</u>	<u>3,618</u>	<u>-</u>
		2024				
		Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years
Financial liabilities		----- Rupees in '000 -----				
Lease Liability against right-of-use asset		5,697	173	710	4,814	-
Accrued expenses and other payables		17,974	17,974	-	-	-
		<u>23,671</u>	<u>18,147</u>	<u>710</u>	<u>4,814</u>	<u>-</u>

29.4 Market risk

Market risk is the risk that changes in market interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

29.4.1 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Company holds balances with bank, investment in Ijarah sukuk and special musharakah certificates which expose the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net profit for the period and net assets of the Company would have been higher / lower by Rs. 8.28 million (2024: 2.48 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Company holds special musharakah certificates which expose the Company to fair value yield / profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net profit for the year and net assets of the Company would have been higher / lower by Rs.1.00 million (2024: Rs. Nil).

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Company's yield / profit rate sensitivity related to financial assets and financial liabilities as at December 31, 2025 and December 31, 2024 can be determined as follows:

		2025					
		Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
			Upto three Months	More than three months and upto one year	More than one year		
		----- Rupees in '000 -----					
On-balance sheet financial instruments							
Financial assets							
Ijarah sukuk	10.79%	-	159,789	-	-	159,789	
Profit accrued on Ijarah sukuk		-	1,374	-	-	1,374	
Long term deposit		-	-	-	75	75	
Special musharakah certificates	9.40% to 9.75%	100,000	-	-	-	100,000	
Profit accrued on Special musharakah certificates		401	-	-	-	401	
Cash and bank balances	2.00% to 7.28%	401,589	-	-	267,393	668,982	
		<u>501,990</u>	<u>161,163</u>	<u>-</u>	<u>267,468</u>	<u>930,621</u>	
Financial liabilities							
Lease liability against right-of-use asset	18.08%	173	1,023	3,618	-	4,814	
Accrued expenses and other payables		-	-	-	20,471	20,471	
		<u>173</u>	<u>1,023</u>	<u>3,618</u>	<u>20,471</u>	<u>25,285</u>	
On-balance sheet gap (a)		<u>501,817</u>	<u>160,140</u>	<u>(3,618)</u>	<u>246,997</u>	<u>905,336</u>	
Off-balance sheet financial instruments							
Off-balance sheet gap (b)		-	-	-	-	-	
Total yield / profit rate rate sensitivity gap (a+b)		<u>501,817</u>	<u>160,140</u>	<u>(3,618)</u>			
Cumulative interest rate sensitivity gap		<u>501,817</u>	<u>661,957</u>	<u>658,339</u>			

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Effective yield / profit rate (%)	2024				Total
	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
	Upto three Months	More than three months and upto one year	More than one year		
----- Rupees in '000 -----					

On-balance sheet financial instruments**Financial assets**

Ijarah sukuk	12.61%	-	159,564	-	-	159,564
Profit accrued on Ijarah sukuk		-	1,584	-	-	1,584
Long term deposit		-	-	-	75	75
Units of open ended mutual fund		-	-	-	592,634	592,634
Cash and bank balances	0.28% to 5.87%	88,648	-	-	138,683	227,331
		88,648	161,148	-	731,392	981,188

Financial liabilities

Lease liability against right-of-use asset	18.08%	173	710	4,814	-	6,697
Accrued expenses and other payables		-	-	-	17,974	17,974
		173	710	4,814	17,974	23,671

On-balance sheet gap (a)

	88,475	160,438	(4,814)	713,418	957,517
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Off-balance sheet financial instruments**Off-balance sheet gap (b)**

	-	-	-	-	-
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Total yield / profit rate rate sensitivity gap (a+b)

	88,475	160,438	(4,814)		
--	--------	---------	---------	--	--

Cumulative interest rate sensitivity gap

	88,475	248,913	244,099		
--	--------	---------	---------	--	--

29.4.2 Foreign currency risk

The Company's exposure to foreign exchange risk was as follows:

	2025				
	USD	GBP	EUR	Others	Total
On balance sheet financial instruments	----- Equivalent Rupees in '000 -----				
Financial assets					
Cash and bank balances	313,688	55,632	41,953	151,748	563,021
Net currency exposure	313,688	55,632	41,953	151,748	563,021
Currency exchange rates - December 31, 2025	260.77	378.22	329.92	Various	

	2024				
	USD	GBP	EUR	Others	Total
On balance sheet financial instruments	----- Equivalent Rupees in '000 -----				
Financial assets					
Cash and bank balances	48,416	17,969	15,972	68,699	151,056
Net currency exposure	48,416	17,969	15,972	68,699	151,056
Currency exchange rates - December 31, 2024	278.55	349.71	290.08	Various	

Every 1% increase or decrease in exchange rates, with all other variables held constant, will increase or decrease profit before tax for the period by Rs 5.63 million (2024: 1.51 million).

29.4.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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29.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. Senior management ensures that the Company's employees' have adequate training and experience and fosters effective communication related to operational risk management.

29.6 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. As of the reporting date, the Company is not leveraged.

30 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced other than those mentioned in note 30.1.

30.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

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

As at December 31, 2025 and December 31, 2024 the Company holds the following financial instruments measured at fair values:

Carrying value	2025			
	Fair value			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
Financial assets - measured at fair value through profit or loss				
Units of open ended mutual fund	-	-	-	-
Financial assets - disclosed but not measured at fair value				
Ijarah sukuk	159,789	-	160,350	160,350
Special musharakah certificates *	-	-	100,000	100,000
	<u>159,789</u>	<u>-</u>	<u>260,350</u>	<u>260,350</u>

* These have been carried at cost since the fair value is not considered to be significantly different from its carrying amount.

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	2024				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
Financial assets - measured at fair value through profit or loss					
Units of open ended mutual fund	592,634	-	592,634	-	592,634
Financial assets - disclosed but not measured at fair value					
Ijarah sukuk	159,564	-	163,440	-	163,440
	<u>752,198</u>	<u>-</u>	<u>756,074</u>	<u>-</u>	<u>756,074</u>

Item	Valuation approach and input used	
Ijarah sukuk	The fair value of Ijarah Sukuk quoted are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from different pre-defined / approved dealers / brokers.	

There were no transfer between level 1 and 2 during the year ended December 31, 2025.

31 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements except for the following:

Reclassified from	Reclassified to	Rupees in '000 2024
Profit receivable on Ijarah sukuk	Short term investments	1,584
Profit receivable on bank balances	Cash and bank balances	200
Exchange loss on cash and bank balances	Income from exchange operations - net	117

32 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee in thousand, except otherwise stated.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on January _____, 2026.

Attest

 CHIEF EXECUTIVE OFFICER


 DIRECTOR

MEEZAN EXCHANGE COMPANY (PRIVATE) LIMITED
LIST OF BRANCH ADDRESSES
ANNEXURE I TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Branch Name	Outlet Type	Address
GT Road Booth, Lalamusa	Booth	Meezan Bank, GT Road Lalamusa Branch, GT Road, Colonel Plaza, Plot No. 9, Camping Ground, G.T. Road, Lalamusa
Patang Chowk Booth, Peshawar	Booth	Meezan Bank, Patang Chowk Branch, Khata No.276, Khatooni No. 403 Khasra No. 507, Mouza Jhalarian, Patang Chowk, Peshawar
Kotwali Faisalabad Booth, Faisalabad	Booth	Meezan Bank, Kotwali Road Branch, Kotwali Road, P-63, Kotwali Road, Faisalabad
Allama Iqbal Town Booth, Lahore	Booth	Meezan Bank, Allama Iqbal Town Branch, 06, Asif Block, Allama Iqbal Town, Lahore
Shaheen Complex Booth, Karachi	Booth	Meezan Bank, Shaheen Complex Branch, Ground Floor Shaheen Commercial Complex, M.R. Kayani Road, Karachi
Khadda Market Booth, Karachi	Booth	Meezan Bank, Khadda Market Branch, Plot No. 4 C, Khayaban-e-Shamsheer, Phase 5, DHA, Karachi
Paris Road Booth, Sialkot	Booth	Meezan Bank, Paris Road Branch, Khasra No. 463, Khatooni No. 1128, Khewat No. 586, Paris Road Sialkot.
Gulberg Branch, Lahore	Booth	Meezan Bank, Gulberg Branch, 60, Main Gulberg-II, Lahore
Block - A, North Nazimabad Booth, Karachi	Booth	Meezan Bank, Block-A, North Nazimabad Branch, Plot No. D-9, Showroom No. 1 Block A, North Nazimabad, Karachi
Trade Tower Branch	Branch	Office No.3, Upper Ground Floor, Trade Tower, Abdullah Haroon Rd, Karachi.
Dina Booth, Jhelum	Booth	Meezan Bank, Dina Branch, Abdullah Palaza GT Road Dina Jhelum
F-6 Markaz Booth, Islamabad	Booth	Meezan Bank, F-6 Branch, Ground & First Floor, Sethi Plaza, Super Market, F-6 Markaz, Islamabad
Ayesha Masjid DHA Booth, Karachi	Booth	Meezan Bank, Ayesha Masjid DHA Phase-6, 13-C Lane 10th Ittehad Commercial Area, DHA Phase 6 Karachi
Gulshan Chowrangi Booth, Karachi	Booth	Meezan Bank, Gulshan Chowrangi Branch, Gulistan-e-Erum, Plot # FL-5, Block # 3, Scheme 24 Gulshan-e-Iqbal, Karachi
Gulbai (HO) Booth, Karachi	Booth	Meezan Bank, Gulbai (HO) Branch, Plot No. C-25 Gulbai, SITE Area, Karachi,
Nursery Booth, Karachi	Booth	Meezan Bank, Nursery Branch, Plot no. 13-A, Survey No. 35-P/1, Amber Pride, Show room No. 1, Ground Floor, Block-6, PECHS, Karachi
Mansehra Booth, KPK	Booth	Meezan Bank, Mansehra Branch, Meezan Plaza, Near Markazi Jamia Masjid, Abbottabad Road
Malir City Booth, Karachi	Booth	Meezan Bank, Malir City Branch, Salman Tower & shopping mall, Main National Highway, Malir Karachi
Shaheed-e-Millat Booth, Karachi	Booth	Meezan Bank, Shaheed-e-Millat Road Branch, Shop No. 2 & 3, Bismillah Arcade, Plot No. 7-A/228, D.M.C.H.S, Shaheed-e-Millat Road, Karachi.
Clifton Booth, Karachi	Booth	Meezan Bank, Clifton Branch, Ground Floor, Al-Karam Centre, BC1, Block-7 Clifton, Main Clifton Road, Karachi
Kamran Chowrangi Booth, Karachi	Booth	Meezan Bank, Kamran Chowrangi Branch, Palm Residency, Unit No.1, Block-3A, Kamran Chowrangi, KDA Scheme-36, Gulistan-e-Johar, Karachi.
Cantt Booth, Multan	Booth	Meezan Bank, Cantt Branch, 185, Quaid e Azam Road, Multan Cantt, Multan
Moon Market Booth, Lahore	Booth	Meezan Bank, Moon Market Branch, 10 Kashmir Block, Main Boulevard, Allama Iqbal Town, Lahore.
Mirpur Booth, AJK	Booth	Meezan Bank, Mirpur AJK branch, Plot No. 27-B/3, Sector B-4, Allama Iqbal Road Tehsil & District Mirpur, AJK.

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Branch Name	Outlet Type	Address
G.T. Road Booth, Mian Channu	Booth	Meezan Bank, Mian Channu branch, 17-B, Ghazi More, G.T. Road, Mian Channu
Toba Tek Singh Booth, Toba Tek Singh	Booth	Meezan Bank, Toba Tek Singh Branch, GPO Street, Mohalla Akbari Masjid, Toba Tek Singh, Punjab, Pakistan
Abbottabad Booth, Abbottabad	Booth	Meezan Bank, Abbottabad Branch, Plot No. 843-846, Manshera Road, Abbottabad
Dubai Chowk Booth, Bahawalpur	Booth	Meezan Bank, Dubai Chowk Branch, Property No 209-CB, Ahmed Pur East Road Dubai Chowk Near Grand Regency Hotel, Bahawalpur
Peoples Colony Booth, Faisalabad	Booth	Meezan Bank, Peoples Colony Faisalabad Branch, 1/A-II, People's Colony No.1, Faisalabad
PWD Booth, Islamabad	Booth	Meezan Bank, PWD Branch, Plot No. 785-G, Block-C, PWD Employees Co-operative Housing Society, Lohi Bher
Mardan Booth, Mardan	Booth	Meezan Bank, Mardan Branch, Arif Mansion, Bank Road, Mardan
Gujar Khan Booth, Gujar Khan	Booth	Meezan Bank, Gujar Khan Branch, B-III, 280 A, Ward No.5, GT Road Gujar Khan
Haripur Booth, Haripur	Booth	Meezan Bank, Haripur Branch, Gul & Son's Plaza, G.T Road Haripur
Sargodha Booth, Sargodha	Booth	Meezan Bank, Sargodha Branch, 12-Block Chowk, Muslim Bazar Sargodha
New Town Booth, Karachi	Booth	Meezan Bank, New Town Branch, Shop # 10,11,12 & 13, Plot Survey No. 371 Sheet No. JM, Kutiana Centre, Jamshed Quarters, Karachi.
Malir Cantt Booth, Karachi	Booth	Meezan Bank, Malir Cantt branch, Army Shopping Complex, Bugla Chowk, Malir Cantt, Karachi
Gulshan-e-Iqbal Booth, Karachi	Booth	Meezan Bank, Gulshan-e-Iqbal Branch, Shop No. 1, 2, 3 & 4, Plot No.B-41, Block 13-A, Gulshan-E-Iqbal, Karachi
Kamoke Booth, Kamoke	Booth	Meezan Bank, Kamoke Branch, Khewat # 2080, Khatooni # 2195, Khasra # 9693/2778/2. Main G.T Road, Kamoke
Hazro Booth, Hazro	Booth	Meezan Bank, Hazro Branch, Khasra No.479, 477 & 486, Khewat No. 562 & 564, Moza Pirdad Zia-Ul-Haq Shaheed Road, Hazro
Narowal Booth, Narowal	Booth	Meezan Bank, Kutchary Road Branch, Building No. B-IY / 4B/7 Old Kutchary Road, Narowal
Saddar Booth, Rawalpindi	Booth	Meezan Bank, Saddar Branch, 47/62, Bank Road Saddar, Rawalpindi
Bahria Town Booth, Lahore	Booth	Meezan Bank, Bahria Town Branch, Plot No. 68/69-B Sector C, Bahria Town, Lahore
Attock Booth, Attock	Booth	Meezan Bank, Attock Branch, G-4, Block G, Siddiqui Road, Attock City
Kashmir Plaza Gujranwala Booth	Booth	Meezan Bank Kashmir Plaza Gujranwala Branch (0901) Kashmir Plaza, Near Ghalla Mendi, G.T. Road, Gujranwala.
Kotla Arab Ali Khan Booth, Gujrat	Booth	Meezan Bank, Kotla Arab Ali Khan Branch, Tehsil Kharian, District Gujrat
Circular Road Daska Booth, Sialkot	Booth	Meezan Bank, Circular Road Branch, Property # BVIII 1764/1, Circular Road Daska Branch, Tehsil Daska, District Sialkot
Talagang Road Booth, Chakwal	Booth	Meezan Bank, Talagang Road Branch, Opposite Arshad Plaza, Aside Bostan Mall, Talagang Road, Chakwal
Wazirabad Booth, Gujrat	Booth	Meezan Bank, Wazirabad Branch, Plot No.I-14S-37, Sialkot Road, Wazirabad
Shadman town Booth, Karachi	Booth	Meezan Bank, Shadman Town Branch, Plot # St 21/2A, Crown Shopping Center Sec No.14-B, Shadman Town, North Karachi
74-E Blue Area Islamabad	Booth	Meezan Bank, 74-E Blue Area, Islamabad

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