



IIRA reaffirms 'Shari'ah Compliance and Fiduciary Rating' of Faysal Bank Limited, Pakistan

Manama, February 19, 2026: IIRA has reaffirmed the Shari'ah Compliance and Fiduciary Rating of Faysal Bank Limited, Pakistan at "SCFR (pk) 1" on the national scale, which denotes "No material deviations from national regulatory framework for Shari'ah Compliant Finance" and "SCFR (Global) High" on the global scale, which denotes, "High level of conformance to global standards in terms of fulfilling fiduciary obligations of Shari'ah compliant Finance".

The Bank's product suite has largely remained unchanged. The portfolio is structured using standardized modes of finance like Diminishing Musharakah, Ijarah, and Murabaha. Modifications have been undertaken to improve products structured using less preferred mechanisms such as tawarruq for credit cards and personal finance. Allocation to Charity Fund mostly constitutes late payment charges and more recently proceeds from ring-fenced assets, having notably tapered off over the last year.

Regulatory enhancements to the Shari'ah governance framework have served to uplift an already sound Shari'ah control infrastructure. Recent key person turnover in the Shari'ah audit function, highlights the ongoing need for investment in succession and career planning, as well as ongoing efforts at training of both internal and external stakeholders.

Reflective of regulatory directives, the bank's corporate governance practices are sound and exceed regulatory requirements in certain key instances as highlighted above. The scope of activities under social and environmentally responsible banking, has expanded significantly, marking a forward-looking approach to sustainability in business.

Public disclosures for stakeholders are adequate and provide comprehensive financial and non-financial information including Shari'ah governance related disclosures. Shari'ah related disclosures include details regarding structure of all key asset and liability products. Since 2024, the Bank's disclosures regarding environmentally and socially responsible activities have marked a significant notch-up. FBL has instituted a Code of Ethics applicable on an organization-wide basis and also adopted a Code of Conduct to guide business practice. The Bank is committed to Corporate Social Responsibility (CSR), evident from the Bank's championship of social causes and enhanced approach to environmental protection.

The Bank's risk profile remains well managed, with key risks trending down and reflected in improved asset quality matrices. Non-compliant receipts have also declined. While returns to investment account holders have dropped, these reflect falling yields on banking assets as an industry-wide development.

For further information on this rating announcement, please contact us via e-mail at iira@iirating.com.

The rating assignment has been carried out with cooperation of the rated entity. The information contained herein is obtained by IIRA from sources believed to be accurate and reliable. IIRA does not audit or verify the truth or accuracy of any such information. As a result, the information herein is provided "as is" without any representation or warranty of any kind. IIRA, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the rating/ scores assigned.
